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65

PART I.

Supreme Court of the United States

No. 601.

SOUTHERN RAILWAY COMPANY, ET AL.,
Appellants,

versus

H. H. TIFT, ET AL.,
Appellees.

Transcript of Record on Appeal from the United States Circuit Court of Appeals for the Fifth Circuit to the Supreme Court of the United States.

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TRANSCRIPT OF RECORD.

PART I.

UNITED STATES
CIRCUIT COURT OF APPEALS
FIFTH CIRCUIT.

NO. 1495

SOUTHERN RAILWAY COMPANY, ET AL.,
Appellants,

versus

H. H. TIFT, ET AL.,
Appellees.

Appeal from the Circuit Court of the United States for the Southern District of Georgia.

[ORIGINAL RECORD FILED AUG. 14, 1905.]

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IN THE UNITED STATES CIRCUIT COURT OF APPEALS, FIFTH CIRCUIT.

SOUTHERN RAILWAY COMPANY, ET AL.,
Appellants,

versus

H. H. TIFT, ET AL.,
Appellees.

No. 1495.

STIPULATION.

It is hereby stipulated between counsel for the appellants and counsel for the appellees that in printing the record in the above entitled cause there shall, with the exceptions hereinafter referred to, be printed only the following:

Bill for injunction and relief, filed April 17, 1903, and order.

Amendment to original bill; order allowing amendment, and indorsement, pages 66, 67 and 68 of transcript.

Demurrer of respondents, pages 69, 70 and 71 of transcript.

Answer of S. F. Parrott, chairman, etc., pages 77 to 86, inclusive, of the transcript.

Affidavit of S. F. Parrott immediately following page 86.

Exhibit No. 1 to answer of S. F. Parrott, articles of association of the Southeastern Freight Association, effective August 13, 1902.

Exhibit No. 2 to answer of S. F. Parrott, method of procedure for the consideration of subjects by the conference committee; rules of procedure for the discussion and consideration of subjects at joint conventions of the representatives of the Southeastern Freight Association and Southeastern Mississippi Valley Association; method under which inter-territorial subjects shall be docketed; amendment to method under which inter-territorial subjects shall be dock-

eted, adopted to be tried as an experiment at the third joint convention in March, 1903, and joint convention in May, 1903, necessary changes and corrections, if any, to be made at the fourth joint convention in May, 1903.

Letter from A. G. Jackson to S. F. Parrott, dated March 24th, 1903, marked Exhibit No. 6, to answer of S. F. Parrott.

Letter from general freight agent of the Georgia Southern and Florida Railway Company to S. F. Parrott, dated April 3rd, 1903, marked Exhibit No. 8, to answer of S. F. Parrott.

Letter from Chas. R. Capps to S. F. Parrott, dated March 9th, 1903, marked Exhibit No. 11, to answer of S. F. Parrott. Which three letters it is agreed will be considered as representative of the declarations filed by the respective railways with said Parrott, in order to dispense with the printing of the voluminous correspondence attached to his said answer.

Response to rule issued upon amendment to bill, pages 106 and 107 of transcript.

Joint and several response of the Southern Railway Co., et al., to rule to show cause, pages 108 to 142 of transcript, both inclusive.

Exhibits Nos. 1, 2, 3, 4, 5, 6 and 7 to said joint and several response of the Southern Railway Co., et al., which begin on page 143 of the transcript and extend up to, but do not include, page 144 of the transcript.

Answer of the Southeastern Freight Association, replying to rule to show cause, etc., pages 145, 146 of the transcript.

Statistics for the Southern Railway Co., Atlantic Coast Line R. R. Co., S. A. L. Ry., Ga. Southern & Florida Railway Company, and Central of Georgia Railway Co., filed by J. D. Massey, secretary of the Railroad Commission of Georgia, beginning on page 147 of the transcript and extending up to, but not including, page 148.

First page of joint freight tariff of Georgia Southern & Florida Railway Company, I. C. C. 216, effective April 15,

1903, filed with answer of Seaboard Air Line Railway, which answer occurs on pages 148, 149 and 150 of transcript.

First page of joint lumber tariff No. 13 of the Central of Georgia Railway Company, which tariff is also filed with said answer of S. A. L. Railway.

First page of pine lumber tariff No. 6 of Southern Ry. Co., Alabama Great Southern Railroad Co. and Augusta Southern R. R. Co., effective April 15, 1903, filed with said answer of Seaboard Air Line Railway.

Statements "A" and "B" and page 259 of transcript certifying said statements. Statements "A" and "B" show data transcribed from annual reports to the Interstate Commerce Commission by the Atlantic Coast Line Railroad Co., Central of Georgia Ry. Co., G. S. & F. Railroad, L. & N. R. R., N. C. & St. L. Ry., Seaboard Air Line Railway and Southern Railway, for years 1901 and 1902, which data consists of capital stock, common and preferred, funded debt, lease-holds, gross earnings operating expense etc.

Affidavit of C. W. Cantrell, pages 151 to 155 of transcript.

Affidavit of G. S. Evans, pages 156 to 158, inclusive, of transcript.

Affidavit of J. Lee Ensign, pages 159 to 163, inclusive, of transcript.

Affidavit of J. Lee Ensign, Wm. B. Stillwell and M. W. Garbutt, pages 177, 178 and 179 of transcript.

Affidavit of H. M. Ensign, pages 185, 186 and 187 of transcript.

Affidavit of W. J. Donlan and letter thereto attached, dated April 3, 1903.

Affidavit of T. D. Phillips, pages 211, 212, 213 and 214 of transcript.

Affidavit of C. H. Caldwell, pages 231, 232, 233 and 234 of transcript.

Affidavit of M. F. Amorous and two exhibits thereto attached, page 240 of transcript.

Affidavit of Geo. S. Gardiner, page 241 of transcript, and exhibits thereto attached.

Page 256 of transcript and statement thereto attached, being a certified statement of E. A. Moseley of average receipts per ton per mile on various railroads.

Page 257 of transcript and sheets thereto attached, with exception of the eighth sheet, which is a map.

Page 262 of transcript, "Certified Extract From Report Showing Holdings of G. S. & F. Ry. Stock by Southern Ry."

Page 265 of transcript and statement thereto attached, being a certified extract of rates.

Page 266 of transcript and statement thereto attached, being certified extract, showing average receipts per ton per mile.

Certificate of J. M. Smith, page 357 of transcript, history of rates from Arkansas.

Affidavit of W. I. McGill, pages 391 and 392 of transcript.

Affidavit of Jno. H. Glenn, et al., pages 399 and 400 of transcript.

Page 416 of transcript, certificate of rates by J. M. Smith.

Opinion of Judge Speer, pages 487, 488 and 489 of transcript.

Interlocutory decree, pages 490, 491 of transcript.

Joint and several answer of Southern Ry. Co., et al., pages 492 to 534, both inclusive and exhibits to said joint and several answer, occurring between pages 534 and 535 of transcript.

Application for temporary restraining order filed June 26, 1903, pages 536 and 537 of transcript; also exhibits to said application, which occur between pages 537 and 538 of transcript.

Joint and several answer of the Southern Ry. Co., et al., pages 538 to 541, both inclusive.

Separate answer of Saml. F. Parrott, pages 542 and 543.

Opinion of Judge Speer, date July 16, 1903, pages 544 to 555, both inclusive.

General replication of complainants page 557 1/2 of transcript.

Petition for injunction, filed March 17, 1905, pages 558, 559, 560 and 561 of transcript.

Printed volume of testimony before Interstate Commerce Commission in re H. H. Tift, et al., vs. Southern Ry. Co., et al.

Stipulation as to evidence taken before Interstate Commerce Commission, page 562 of transcript.

Supplemental bill and order thereon, April 27, 1905, pages 563 to 568, both inclusive.

Answer of Southeastern Freight Association to supplemental bill, pages 571 and 572 of transcript.

Joint and several answer of Southern Railway Co., et al., to petition filed March 17, 1905, pages 573 to 585, both inclusive.

Affidavit of J. O. Moore, pages 586 to 589, inclusive, and exhibits thereto, occurring between pages 589 and 590, of transcript.

Affidavit of L. Green, pages 590 to 595, both inclusive, and Exhibit No. 1, which immediately follows page 595 of transcript.

Affidavit of Harry T. Newcomb, pages 598, 599 and 600 of the transcript.

Affidavit of C. B. Compton, pages 596 and 597 of the transcript and Exhibits "A" and "B," which immediately follow page 597 of the transcript.

Affidavit of T. W. Glaze, page 601 of transcript.

Affidavit of W. H. Paxton, page 602 of the transcript.

Affidavit of Lucius L. McCleskey, pages 603, 604 and statement thereto attached, page 605.

Affidavit of R. H. Davis, page 606, and Exhibit "A" immediately following same.

Affidavit of R. S. Wilolek, page 607, and exhibit entitled "Nashville Market," immediately following same. Said exhibit entitled "Nashville Market" comprises all of the sheets occurring between pages 607 and 608.

Affidavit of E. A. Hallom, pages 608 and 609.

Affidavit of E. A. Hallom, pages 610 and 611, and exhibits thereto, which occur between pages 611 and 612.

Affidavit of C. B. Compton, page 612, and exhibit thereto, entitled "Chicago Market on Yellow Pine Lumber," consisting of three sheets, which immediately follow page 612 of transcript.

Affidavit of C. B. Deming, pages 655 to 660 of transcript, both inclusive.

Affidavit of A. Pope, page 653 of transcript.

Affidavit of A. H. Plant, page 654 of transcript.

Affidavit of Jas. Menzies, pages 613, 614 of transcript.

Affidavit of O. M. Grady, pages 615, 616 and 617 of transcript, and Exhibit "A," immediately following page 617; also affidavit of R. D. Ivy, which immediately precedes page 618.

Affidavit of W. A. Winburn, pages 618 and 619 of transcript.

Omit from Exhibit "A," which is attached to Winburn's affidavit, and which is the issue of May 15, 1905, of the "Lumber Trade Journal," all matter except the article ap-

pearing on page 21 of said "Lumber Trade Journal," entitled "April Building Operations."

Omit from Exhibit "B" to Winburn's affidavit, which is the issue of May 13, 1905, of the "American Lumberman," all matter except the article appearing on page 23, entitled "Increase in building not confined to the large cities."

The articles extracted should bear the designations respectively, "Exhibit A" and "Exhibit B."

Affidavit of Roy C. Foster, pages 620 to 624, both inclusive.

Affidavit of Clayton B. Demming, pages 625, 626 and 627 of transcript.

Affidavit of Walter C. Arthurs, pages 628 to 631, both inclusive.

Affidavit of Jno. M. Cutler, pages 632 to 635, both inclusive.

Affidavit of Walter J. McBride, pages 636 to 640, both inclusive.

Affidavit of W. L. Glessner, pages 641 and 642 of transcript.

Affidavit of Haiden Miller, pages 643 and 644 of transcript.

Affidavit of W. A. Winburn, page 645, and statement filed therewith immediately following page 645 of transcript.

Affidavit of Titus DeLoach, page 646 of transcript, and exhibit thereto attached.

Affidavit of J. P. Bowdre, pages 647 and 648 of transcript.

Affidavit of R. H. Smalling, pages 649 and 650 of transcript and exhibit thereto attached.

Affidavit of O. M. Grady, pages 651 and 652 of transcript.

Affidavit of C. B. Compton, page 661 of transcript, and exhibit next attached thereto.

Affidavit of W. W. DeHaven, pages 662 and 663 of transcript.

Affidavit of W. B. Stillwell, pages 665 to 669, both inclusive.

Affidavit of M. W. Garbutt, pages 670 and 671 of transcript.

Affidavit of H. H. Tift, pages 672 to 674, inclusive.

Opinion of Judge Speer, pages 675 to 700, both inclusive.

Demurrer to supplemental bill, pages 701, 702 and 703 of transcript.

Supporting affidavits, which immediately follow page 703.

Final decree, pages 704 to 708, both inclusive.

Assignment of errors, pages 709 to 718, both inclusive.

Petition for supersedeas, pages 719 to 724, both inclusive.

Order suspending execution of decree and superseding injunction, pages 725, 726 of transcript.

Petition for appeal, pages 727, 728 of transcript.

Appeal bond, pages 729, 730, 731 and 732.

Order granting appeal, pages, 733, 734.

Citation on appeal, page 735 of transcript.

Special bond, pages 736 to 738, both inclusive.

Acknowledgment of service upon citation, page 739.

Certificate of clerk immediately following, page 739.

It is stipulated and agreed that the following is shown by

Exhibits Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 to the answer of S. F. Parrott, chairman, to the amended bill, filed April 21, 1903, viz:

The written statement or declaration of the A. & W. P. R. R. and Western Railway of Alabama (which are connecting roads), promulgating the advance of 2 cents per hundred pounds on yellow pine lumber, was dated March 19, 1903.

The written statement or declaration of the A. C. L. R. R., promulgating said advance of 2 cents per hundred pounds, was dated March 5, 1903.

The written statement or declaration of the Central of Georgia Railway, promulgating said advance of 2 cents per hundred pounds, was dated March 30, 1903.

The written statement or declaration of the Georgia Railroad, promulgating said advance of 2 cents per hundred pounds, was dated March 24, 1903.

The written statement or declaration of the Georgia, Florida & Alabama Railway, promulgating said advance of 2 cents per hundred pounds, was dated April 9, 1903.

The written statement or declaration of the Georgia Southern & Florida Railway, promulgating said advance of 2 cents per hundred pounds, was dated April 3, 1903.

The written statement or declaration of the Macon & Birmingham Railway Company, promulgating said advance of 2 cents per hundred pounds, was dated April 6, 1903.

The written statement or declaration of the Nashville, Chattanooga & St. Louis Railway, promulgating said advance of 2 cents per hundred pounds, was dated March 7, 1903.

The written statement or declaration of the Seaboard Air Line Railway, promulgating said advance of 2 cents per hundred pounds, was dated March 9, 1903.

The written statement or declaration of the Southern Railway, promulgating said advance of 2 cents per hundred pounds, was dated March 21, 1903.

It is further stipulated and agreed that all correspondence, tariffs, circulars, etc., filed by the various defendants with their separate answers to amended bill, praying discovery, filed April 21, 1903, may be omitted, except the following:

By the Georgia Southern & Florida Railway Co.:

Telegram, H. M. Emerson to J. M. Cutler, April 9, 1903.

Telegram, C. R. Capps to J. M. Cutler, April 8, 1903.

Telegram, W. E. Estes to J. M. Cutler, April 8, 1903.

S. F. Parrott, W. A. Winburn and T. C. Powell to J. M. Cutler, telegram, dated April 4, 1903.

Telegram, S. F. Parrott to J. M. Cutler, April 2, 1903.

Letter, H. M. Emerson to S. F. Parrott, April 5, 1903.

Telegram, W. E. Estes to J. M. Cutler, April 1, 1903.

Communication, J. W. Perrin to "J. M. C.," dated "Wilmington 4-1."

Letter, J. W. Perrin to C. R. Capps, March 21, 1903.

Telegram, E. A. Niel to J. M. Cutler, March 30, 1903.

Telegram, E. A. Niel to J. M. Cutler, dated "Atlanta 30."

Telegram, W. E. Estes to J. M. Cutler, March 28, 1903.

Telegram, J. W. Perrin to J. M. Cutler, March 28, 1903.

Telegram, W. E. Estes to J. M. Cutler, March 26, 1903.

Telegram, E. A. Niel to J. M. Cutler, March 25, 1903.

Telegram, H. M. Emerson to J. M. Cutler, March 24, 1903.

Letter from D. M. Goodwyn to M. P. Washburn, March 13, 1903.

Letter, from the general freight agent of the A. C. L. R. R. to E. A. Niel, March 11, 1903.

Telegram, D. M. Goodwyn to J. M. Cutler, March 7, 1903.

Letter, from S. F. Parrott, addressed to the members of the conference committee of the Southeastern Freight Association, March 3, 1903.

Telegram, D. M. Goodwyn to J. M. Cutler, March 4, 1903.

Letter, from S. F. Parrott to the members of the conference committee of the Southeastern Freight Association, dated February 27, 1903.

Telegram, from Geo. R. Knox to J. M. Cutler, February 28, 1903.

Letter, from S. F. Parrott to the members of the conference committee of the Southeastern Freight Association, February 25, 1903.

Letter, from W. A. Winburn to Wm. Cheekley Shaw, February 25, 1903.

Letter, from E. A. Niel to S. F. Parrott, February 25, 1903.

Telegram, from E. A. Niel to J. M. Cutler, February 27, 1903.

Telegram from W. J. Dickinson to Wm. Checkley Shaw, February 27, 1903.

Letter, from S. F. Parrott to the members of the conference committee of the Southeastern Freight Association, February 25, 1903.

Telegram, from W. E. Estes to J. M. Cutler, February 27, 1903.

Telegram, from J. M. Barr to W. C. Shaw, February 27, 1903.

Telegram, from D. M. Goodwyn to J. M. Cutler, February 27, 1903.

Letter, from S. F. Parrott to J. M. Cutler, February 20, 1903.

Telegram, from T. C. Powell to J. M. Cutler, February 23, 1903.

Telegram from C. B. Compton to J. M. Cutler, February 21, 1903.

Telegram from S. F. Parrott to J. M. Cutler, February 21, 1903.

Telegram, from T. C. Powell to J. M. Cutler, February 21, 1903.

Telegram, from C. R. Capps to J. M. Cutler, dated "Portsmouth, Va., 1 th Feb."

Letter, from S. F. Parrott to the members of the conference committee of the Southeastern Freight Association, February 14, 1903.

Telegram, from S. F. Parrott to J. M. Cutler, February 16, 1903.

Letter, from J. F. Lane to S. F. Parrott, February 13, 1903.

Letter, from S. F. Parrott to the members of the conference committee of the Southeastern Freight Association, February 9, 1903.

Letter from S. F. Parrott to J. H. McWilliams, H. M. Emerson and others, February 9, 1903.

Letter from Geo. R. Knox to E. A. Niel, W. E. Estes and others, February 12, 1903.

Letter from Geo. R. Knox to W. E. Estes, J. M. Cutler and others, February 12, 1903.

By the Louisville & Nashville Railroad Co.:

Telegram from J. Menzies to D. M. Goodwyn, March 30, 1903.

Telegram from J. Menzies to W. E. Estes, April 1, 1903.

Telegram from W. E. Estes to D. M. Goodwyn, February 7, 1903.

Telegram from W. A. Winburn to W. J. Dickinson, February 26, 1903.

Telegram from W. E. Estes to D. M. Goodwyn, March 28, 1903.

Telegram from W. E. Estes to D. M. Goodwyn, April 1, 1903.

Telegram from W. E. Estes to D. M. Goodwyn, April 7, 1903.

Telegram from W. E. Estes to D. M. Goodwyn, April 9, 1903.

Telegram from W. A. Winburn to C. B. Compton, April 15, 1903.

Telegram from John M. Cutler to C. B. Compton, February 21, 1903.

Telegram from J. M. Cutler to D. M. Goodwyn, February 26, 1903.

Telegram from J. M. Cutler to D. M. Goodwyn, February 26, 1903.

Telegram from J. M. Cutler to D. M. Goodwyn, March 4, 1903.

Telegram from J. M. Cutler to D. M. Goodwyn, March 7, 1903.

Telegram from J. M. Cutler to D. M. Goodwyn, dated "April 2-3."

Telegram from Geo. R. Knox to D. M. Goodwyn, February 11, 1903.

Telegram, J. W. Thomas to Wm. J. Dickinson, February 28, 1903.

Telegram, H. F. Smith to C. B. Compton, April 16, 1903.

Telegram, J. A. Barr to W. J. Dickinson, February 27, 1903.

Telegram, C. R. Capps to D. M. Goodwyn, April 1, 1903.

Telegram, E. A. Niel to D. M. Goodwyn, February 7, 1903.

Letter, E. A. Niel to J. Menzies, February 19, 1903.

Telegram, T. C. Powell to C. B. Compton, February 21, 1903.

Telegram, T. C. Powell to C. B. Compton, February 23, 1903.

Letter, E. A. Niel to S. F. Parrott, February 25, 1903.

Telegram, J. M. Culp to W. J. Dickinson, February 26, 1903.

Telegram, J. M. Culp to W. D. Hines, April 15, 1903.

Telegram, J. M. Culp to Walker D. Hines, April 16, 1903.
Telegram, S. F. Parrott to C. B. Compton, February 21, 1903.
Telegram, S. F. Parrott to D. M. Goodwyn, April 2, 1903.
Telegram, S. F. Parrott to D. M. Goodwyn, April 4, 1903.
Telegram, S. F. Parrott to C. B. Compton, April 7, 1903.

By the Southern Railway Company:
Telegram, T. M. Emerson to J. M. Culp, April 17, 1903.
Telegram, H. M. Barr to J. M. Culp, April 16, 1903.
Telegram, H. F. Smith to J. M. Culp, April 16, 1903.
Telegram, W. A. Winburn to J. M. Culp, April 16, 1903.
Telegram, Wm. C. Shaw to J. M. Culp, April 16, 1905.
Telegram, Walker D. Hines to J .M. Culp, April 16, 1903.
Telegram, W. A. Winburn to J. M. Culp, April 13, 1903.
Telegram, J. M. Barr to J. M. Culp, February 27, 1903.
Telegram, W. J. Dickinson to J. M. Culp, February 27, 1903.
Telegram, Wm. Checkley Shaw to J. M. Culp, February 26, 1903.
Letter, S. F. Parrott to the members of the executive board and conference committee of the Southeastern Freight Association, February 3, 1903.
Telegram, H. F. Smith to T. C. Powell, April 16, 1903.
Telegram, C. B. Compton to T. C. Powell, April 15, 1903.
Telegram, H. M. Emerson to T. C. Powell, dated "Wilmington, N. C., April ...., 1903."
Telegram, H. F. Smith to T. C. Powell, February 24, 1903.
Telegram, John M. Cutler to T. C. Powell, February 21, 1903.
Telegram, C. B. Compton to T. C. Powell, February 21, 1903.
Letter, D. M. Goodwyn to M. P. Washburn, March 13, 1903.
Letter, Jas. Menzies to E. A. Niel, March 11, 1903.
Telegram, D. M. Goodwyn to E. A. Niel, March 4, 1903.
Letter, D. M. Goodwyn to S. F. Parrott, February 26, 1903.

It is further stipulated and agreed that the clerk shall by appropriate heading designate by which of said companies each of said sets of correspondence was filed.

It is further stipulated and agreed that Exhibit No. 24 to the answer of S. F. Parrott to the amended bill filed April 21, 1903, shows that on the 11th day of February, 1903,

there was a meeting of the Southeastern Freight Association, held in the City of Atlanta, and the complete minutes of that meeting with respect to the advance in lumber rates were as follows:

"Subject 1924. File 34,479. Rates on pine lumber, carloads to the West:

"This subject was listed by unanimous consent, upon the request of various members and referred to the following subcommittee: Messrs. C. R. Capps, chairman; H. M. Emerson, W. E. Estes, J. M. Cutler, T. C. Powell, E. K. Bryan, Jr., M. V. Mahoney, H. F. Smith and A. G. Jackson."

"The following recommendation was submitted:

"Recommended, that, effective March 1st, 1903, the rates on lumber from southeastern territory to Ohio river crossings be increased 2 cents per 100 lbs., and rates beyond made on lowest combination, with the understanding that the question of division will be handled on its merits.'"

"The following recommendation was also submitted:

"'Recommended, that, contingent upon a like advance from points in Arkansas, Texas, Louisiana, Mississippi and Alabama, an advance of 2 cents per hundred pounds be made in the rates on pine lumber from points in Georgia, Florida and Alabama, to Memphis, Tenn., Nashville and West Nashville, Tenn., and to interior junction points in Kentucky and Tennessee, and to intermedite crossings between Memphis and Cairo.'"

"The recommendations were discussed and no further action taken thereupon."

It is further stipulated and agreed that Exhibit No. 25 to the answer of S. F. Parrott to the amended bill, filed April 21, 1903, shows that the matter of advance in lumber rates came up for consideration March 10-12, 1903, at a joint convention of the representatives of the Southeastern Mississippi Valley Association and the Southeastern Freight Association, held at Atlanta; and the complete minutes of that meeting, so far as they relate to said matter, were as follows:

"Subject 393. Files 4934 (S. E. M. V) 34974 (S. E. F. A.).

"Rates on yellow pine lumber from the South to Western points."

"This subject was listed by unanimous consent.

"The following recommendation was submitted:

"1st. Recommended, that, effective April 15, 1903, an advance of 2 cents per hundred pounds be made in the rates on yellow pine lumber, carloads, from producing points in Mississippi, Louisiana and the Southeast to St. Louis, East St. Louis and all Mississippi river crossings between Memphis and St. Louis, and all Ohio river crossings, Cairo to Cincinnati, both inclusive."

"Recommended, further, that the rates on pine lumber to all points north of the Ohio river and east of the Mississippi river and west of the western termini of the trunk lines, shall be made on lowest combination."

"Recommended, further, that a corresponding advance of 2 cents per hundred pounds be made to Nashville, Tenn., Memphis., Tenn., and to West Tennessee and Kentucky junction points, provided not in excess of the continuous local scale of any line."

"Recommended, further, that an advance of 2 cents per hundred pounds be made to Chattanooga, provided it does not exceed the continuous local scale of any line."

"It is stated, as a matter of information, that it is understood a corresponding advance of 2 cents per hundred pounds from points in Louisiana and Arkansas is to be made, effective on April 1st."

"It is also stated for record, that, at a conference of the Southwestern Traffic Bureau, held in St. Louis, Mo., January 30, the following was unanimously adopted:

"Recommended, that, contingent upon like advances from Arkansas and Louisiana, the same advances in lumber rates be made from Texas points to Mississippi river crossings, Cairo and North, and lower Ohio river crossings, that are made from the yellow pine districts in the Southeast; it being understood, however, that the right is reserved to make rates from Texas points no higher than rates from the Southeast."

2d. Recommended, that an advance of 2 cents per hundred pounds, effective April 15, 1903, be made in the rates on yellow pine lumber, carloads, from points in Mississippi, Alabama and the Southeast, to the Buffalo-Pittsburg zone,

and that such advances as are necessary be made in the basing rates, in order to accomplish this result."

"The recommendations were discussed and no further action taken thereupon."

It is further stipulated and agreed that the rates set forth in tables i, ii, iii, iv, v, vi and vii of the report and opinion of the commission in the case of H. H. Tift et al., vs. Southern R. Co., et al. are correct, with the exception that the rate from group 2 of the Southern Railway to Cincinnati, effective May 17, 1894, shown in table vii as 21 cents, should be 20 cents.

ED BAXTER, for Appellants,
W. A. WIMBISH, For Appellees.

September 16, 1905.

[Indorsed:] No. 1495. Southern Railway Co., et al., vs. H. H. Tift, et al. Stipulation as to printing record. U. S. Circuit Court of Appeals. Filed Sept. 21, 1905. Charles H. Lednum, Clerk.

UNITED STATES CIRCUIT COURT OF APPEALS,
FIFTH CIRCUIT.

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UNITED STATES OF AMERICA,
FIFTH JUDICIAL CIRCUIT.

PLEAS AND PROCEEDINGS Had and Done at a Regular Term of the United States Circuit Court of Appeals for the Fifth Circuit, Begun on the Third Monday of November, 1905, and on the Third Monday of November, 1906, at New Orleans, Louisiana, before the Honorable Don A. Pardee, the Honorable A. P. McCormick and the Honorable David D. Shelby, Circuit Judges.

SOUTHERN RAILWAY COMPANY, ET AL.,
Appellants,

versus No. 1495.

H. H. TIFT, ET AL.,
Appellees.

BE IT REMEMBERED, That heretofore, to-wit: on the 14th day of August, 1905, a transcript of the record of the above styled cause from the Circuit Court of the United States for the Southern District of Georgia was filed in the office of the Clerk of said United States Circuit Court of Appeals for the Fifth Circuit, in the words and figures following, to-wit:

BILL FOR INJUNCTION AND RELIEF.

In the Fifth Circuit Court of the United States for the Southern District of Georgia.

H. H. Tift, et al.,

vs. In Equity.

Southern Railway, et al.

Filed in office this April 17th, 1903.
H. H. King, Clerk, by Cecil Morgan, Deputy Clerk.

Ellis, Winbish & Ellis, Solicitors for Complainants, 525 Prudential Building, Atlanta, Ga.

In the Fifth Circuit Court of the United States, for the Southern District of Georgia.

In Equity.

To the Honorable the Judges of Said Court:

H. H. Tift, of Tifton, Ga., W. S. West, of Valdosta, Ga., J. Lee Ensign, of Tifton, Ga., J. S. Bell & Co., of Ashburn, Ga., all of whom are citizens of the State of Georgia, residing in and being inhabitants of the Southern District of Georgia; Garbutt Lumber Company, a corporation of Wright, Georgia; Alapaha Lumber Company, a corporation of Alapaha, Ga., and Southern Pine Company, a corporation of Savannah, Ga., each of said corporations being organized and existing under the laws of the State of Georgia, being citizens of said State and inhabitants of the southern district thereof, bring this their bill of complaint, in behalf of themselves and all other members of the Georgia Saw Mill Association (a voluntary association) against Southern Railway, a corporation and citizen of the State of Virginia; Atlantic Coast Line Railroad Company, a corporation and citizen of the State of South Carolina; Louisville & Nashville Railroad Company, a corporation and citizen of the State of Kentucky; Nashville, Chattanooga & St. Louis Railway Company, a corporation and citizen of the State of Tennessee; Seaboard Air Line Railway Company, a corporation and citizen of the State of Virginia; Central of Georgia Railway Company, a

corporation and citizen of the State of Georgia; Georgia Southern & Florida Railway Company, a corporation and citizen of the State of Georgia; Macon & Birmingham Railway Company, a corporation and citizen of the State of Georgia; and against the Southeastern Freight Association, a voluntary association or partnership, composed of the foregoing named railway companies and others, with its principal office in the City of Atlanta, State of Georgia; and thereupon your orators complain and say:

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I.

Your orators and other manufacturers of yellow pine lumber in the States of Georgia, Florida and South Carolina, exceeding one hundred and fifty (150) in number, constitute the membership of the Georgia Mill Association, which your orators aver to be a voluntary association organized and maintained for promoting and protecting by proper and lawful means the interests of the yellow pine lumber industry in the States named.

II.

The defendants, and each of them, are common carriers engaged, among other things, in interstate commerce by the transportation of lumber from points within to points without the State of Georgia; and each of them maintains and operates lines of railway within the State of Georgia employed in such transportation of articles of commerce between the States.

Your orators aver, on information and belief, that each of said railway companies is a member of the Southeastern Freight Association; and that said association was organized and is maintained under agreements and for purposes which constitute an illegal combination in restraint of interstate trade, and for the fostering of monopoly in destruction of fair competition among carriers engaged in interstate trade.

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III.

Each of the defendant railway companies have given notice that on April 15th, 1903, a revised tariff of freight rates on lumber from points of shipment in the State of Georgia to Chattanooga, Tenn., and to points on the Ohio river and beyond, will be put into effect, whereby the existing rate on

yellow pine lumber from and to the points designated will be increased two (2) cents a hundred (100) pounds; and your orators aver that such increased rate will be put into effect on the day named, unless restrained by an order of this Honorable Court. Your orators charge, that in promulgating said tariff of increased rates, the several defendant railway companies are acting in concert with each other and with other lumber carrying roads that are members of the Southeastern Freight Association, in pursuance of unlawful agreements between said railway companies in restraint of competition and of interstate trade.

IV.

Your orators show that their rights and interests in common with those of others engaged in the lumber trade in this State, will be vitally and injuriously affected by the proposed increase of rates; that such increase is unjust, unreasonable and arbitrary, and will prove destructive to the business of your orators and defeat competition within a large territory comprised of Ohio river points and points beyond in the Central, Northern and Western States; and will impose upon the yellow pine industry a burden out of line with and far more grievous than that sustained by the products of other industries of like weight and value. There is invested by your orators and other members of the Georgia Saw Mill Association approximately ten million ($10,000,000) dollars in the production and manufacture of yellow pine lumber. The annual output is estimated at eight hundred million feet (800,000,000), of the value, at the mills, of seven million dollars ($7,000,000). Not less than three hundred million feet (300,000,000) of the value of two and one-half million dollars ($2,500,000), is shipped to North-Central and Western points, and will be directly and injuriously affected by the proposed increase in rate. This increase of two cents (2) a hundred (100) pounds equals from sixty (60) to ninety (90) cents a thousand (1000) feet (depending upon the quality of the lumber) and will amount to from one hundred and eighty thousand ($180,000) to two hundred thousand ($200,000) dollars annually in additional freights on the lumber shipped to the territory affected.

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V.

Your orators show that the proposed increase in rate is unjust, unreasonable and arbitrary, in this, to-wit:

1. Under existing rates lumber is a very profitable commodity to the carrier, if not the most profitable of any freight originating in the Southern territory, value, tonnage and cost of handling considered. The average freight on yellow pine lumber from the mills to the point of destination amounts in the aggregate to a sum fully equalling the value of the product at the point of shipment. From points in the State of Georgia alone nearly or quite seven million dollars ($7,000,000) is annually paid the carriers for transportation to market on lumber valued at the mills at seven million ($7,000,000) dollars. The product annually shipped to the territory directly affected by the proposed increase in rate is at the mills of the value of two and one-half million dollars ($2,500,000.00); the cost of transportation to the points of delivery on and beyond the Ohio river exceeds the value of the product. Orators attach hereto as Exhibit A a statement of all shipments made by one of your orators during the month of March, 1903, to points beyond the Ohio river, from which statement it will appear that the cost of transportation exceeded the value of the product at the mills in a considerable sum. The thirteen (13) shipments made aggregating four hundred eighty-two thousand one hundred (482,100) pounds paid to the carrier one thousand one hundred and twenty and 67/100 dollars ($1,120.67) in freights, while the net value of the shipment was only nine hundred and thirty-four and 90/100 dollars ($934.90). The proposed increase in rate would amount on these shipments to one hundred and four and 26/100 dollars ($104.26), thus further reducing the proportions so that the carrier would receive one thousand two hundred and thirty-four and 93/100 dollars ($1,234.93), to the manufacturers only eight hundred and thirty and 64/100 dollars ($830.64). The present rate on lumber is greater per ton per mile than on coal, pig-iron and other like products, value, weight and cost of handling considered. The quality of lumber shipped to the territory involved is of low grade. For the transportation of the greater portion of this the carrier furnishes a naked platform, or flat car, which the shipper is required to

equip with standards, strips and support which are required to be made of high grade lumber, and which involves the cost to the shipper of from two and one-half to three dollars a car, aggregating on shipments from Georgia alone of from fifty thousand ($50,000) to one hundred thousand ($100,000) dollars per annum. In addition to this, the shipper is required to pay freight on the increased weight caused by the equipment amounting to an average of two dollars a car. Your orators submit that no other commodity is subjected to such rates and burdens, and that the same are unfair and unjust.

2. Your orators and other manufacturers of Southern yellow pine lumber have within recent years by persistent effort and at great expense created a market for their product within a large territory consisting of the States of Ohio, Illinois, Indiana, Wisconsin, and parts of New York, Pennsylvania, Michigan and Nebraska. Within this territory they come into direct competition with the hemlock, spruce and white pine of Canada and the Northern States and with the woods of the Pacific Coasts. They have been able to meet this competition only with low grades of lumber, for which the market elsewhere is restricted. Having thus acquired a market for this grade of their product they have increased their investments of capital and have correspondingly enlarged their output. Orators attach hereto marked Exhibit B a sketch or map indicating the territory referred to. To points within this territory the rates on yellow pine are now greater than on other woods. The rate on Pacific coast fir is four and one tenth (4.1) mills to five and three tenths (5.3) mills per ton per mile, and on white pine from Northern points four and seven tenths (4.7) mills per ton per mile, while on yellow pine the rate is from five and three tenths (5.3) to six and five tenths (6.5) mills, and the proposed increase of two cents per hundred would raise the rate to five and seven tenths (5.7) to seven and three tenths (7.3) mills per ton per mile. From which it appears that yellow pine is now paying from thirteen (13) to forty (40) per cent more than the carriers of white pine demand for that product. White pine and fir are of lighter weight than yellow pine, so that the discrimination in their favor is even greater than is apparent from the figures alone. No increase is proposed in these rates on other woods, yellow pine being singled out as the sole subject of the increase. Should the increased rate go into effect the

manufacturers of yellow pine will be unable to compete with other woods in the market of the territory designated and will be compelled to retire therefrom. Thus the market for low grade yellow pine, which has been acquired at great cost, will be destroyed, and the capital invested for the production of lumber to meet the demand created will be lost, and the large product already manufactured and on hand will be practically worthless for want of a market.

3. The cost of the production of yellow pine lumber has materially increased while the market value of the manufactured product has remained practically the same. There has been no increase in the prices of lumber over those obtainable January 1st, 1902. The increased cost consists in the items of raw material, labor and feed for stock, all of which have materially advanced in price, and seriously affect the cost of the manufactured product. In the manufacture of lumber the minimum cost per unit can only be obtained where conditions permit maximum production. The carriers have for a considerable period utterly failed to furnish cars sufficient for the transportation of lumber, thereby causing congestion at manufacturing points, thus materially increasing minimum cost of production and reducing the profits of the business. On the contrary the net revenues of the railway companies have been rapidly and steadily increasing, while the cost of transportation has been as constantly reduced by reason of increased capacity of cars and locomotives, and by the use of modern appliances which dispense with the employees necessary to operate trains.

4. The increased rate proposed, as well as that existing, is further arbitrary, unjust and discriminatory in this, that the rate from Georgia points to Ohio river points and beyond is one cent per hundred higher than rates from points in Mississippi. Thus from Cordele, Ga., to Cincinnati, a distance of 627 miles, the rate is twenty-two (22) cents, while from Laurel, Miss., to Cincinnati, a distance of 690 miles, the rate is only twenty-one (21) cents. Your orators charge that such discrimination is purely arbitrary and without reason or justification to sustain it.

5. The proposed increase in rate is arbitrary and discriminatory in that it will be made to apply to yellow pine lumber only and does not include other woods or articles. Your

orators show that within the past four years the rate on lumber between the points designated has already been increased two cents per hundred, and in some cases three cents per hundred, and they submit that if existing conditions justify or require the raising of revenue on the part of the carriers the tariff necessary to bring such revenue should be laid upon the various products with regard to equality and fairness, and that yellow pine lumber should not be singled out to bear the whole burden, and especially so inasmuch as it appears that the existing rate on yellow pine lumber is greater and produces more revenue to the carriers than any other like product, weight, value, tonnage and cost of transportation considered.

VI.

For special cause why an immediate temporary restraining order should be issued, your orators show that before receiving notice of the proposed increase in rate large contracts were entered into by them for the delivery of lumber to points within the territory to be affected by the increased rate; that your orators have been unable to fill these orders because of the fact that the railway companies have utterly failed to provide equipment sufficient to move the manufactured product, so that your orators have now and for some time have had on their skids a large quantity of lumber awaiting transportation in order to be delivered in accordance with existing contracts, which would have been delivered had the carriers furnished transportation.

VII.

Your orators charge upon information and belief that the Southeastern Freight Association is employed by the defendant railway companies and other carriers as an irresponsible medium through which to effect a lessening of competition, and in legal contemplation constitutes a combination and conspiracy in restraint of commerce between the States. Your orators are informed that while nominally any railway company, being a member of the association, may fix its own rates and promulgate its own tariffs and is not bound by any written contract to change its rates so as to conform to the rates of other carriers, yet in point of fact there is an understanding generally acted upon under which these results are

brought about. Thus in the matter of increased rates on lumber the various lumber carrying roads have acted in concert and have acted through the Southeastern Freight Association, and have singled out this commodity as that upon which this extra burden should be laid, notwithstanding that some, if not many, of the roads would derive an equal or greater benefit from the laying of increased rates upon other products.

In consideration whereof and for as much as your orators are remediless at and by the strict rule of the common law and can obtain relief only in a court of equity where matters of this kind are properly cognizable and reviewable:

To the end therefore that your orators may have the relief which they can only obtain in a court of equity, and that the defendants herein named may answer the premises, but not upon oath or affirmation, discovery and answer under oath being hereby expressly waived, your orators pray:

First. That this Court will grant an order temporarily restraining the defendants, and each of them, from putting into effect the proposed increase of rates, or any increase of rates, on yellow pine lumber from points within to points without the State of Georgia, such order to be effective until the further order of Court.

Second. That the Court will issue a rule directed to the defendants and each of them commanding them, and each of them, to be and appear before one of the judges of this Court, at such time and place as the Court may designate, then and there to show cause why the extraordinary relief prayed should not be granted, and a perpetual injuction issue.

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Third. That upon the hearing under the rule, the Court will decree that a writ of injunction do issue, enjoining the defendants, and each of them, from putting into effect and operation the proposed increase of freight rates on yellow pine lumber from points within the State of Georgia to points without the State, and especially to Chattanooga, Tenn., and to Ohio river points and points beyond west of Buffalo and Pittsburg; and also from at other times or in other ways increasing the existing rates from and to such points, without previous application to this Court for a modification of the injunction.

Fourth. That the Court will decree that the existing rates between the points designated are unjust, unreasonable and illegal, in so far as they discriminate against Georgia points in favor of points in Mississippi on yellow pine lumber, and also in so far as they impose upon the shipper of lumber the burden of equipping cars at the expense of the shipper, and that appropriate relief to this end may be granted.

Fifth. That the Southeastern Freight Association be declared an illegal combination in restraint of interstate trade and that the defendant railway companies be enjoined from prosecuting the purposes of such illegal combination through the medium of the said Southeastern Freight Association in so far as concerns the transportation of lumber to and from points directly affecting the rights and interests of your orators.

Sixth. That your orators may have such other and further and general relief as the nature of the circumstances of the case may require, and to the Court shall seem meet and proper.

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Seventh. That the writ of subpoena be issued to be directed to the said Southern Railway, a corporation of the State of Virginia; Atlantic Coast Line Railroad Company, a corporation of the State of South Carolina; Louisville & Nashville Railroad Company, a corporation of the State of Kentucky; Nashville, Chattanooga and St. Louis Railway Company, a corporation of the State of Virginia; Central of Georgia Railway Company, a corporation of the State of Georgia; Georgia Southern & Florida Railway Company, a corporation of the State of Georiga; Macon & Birmingham Railway Company, a corporation of the State of Georgia, and the Southeastern Freight Association, and S. F. Parrott, chairman thereof; commanding them, and each of them, at a certain day and under a certain penalty therein to be limited, personally to appear before this Honorable Court, and then and there, full, true, direct and perfect answer make to all and singular the premises (but not under oath, answer under oath being hereby expressly waived), and to stand, to perform and abide such other order, direction and decree as may be

entered against them in the premises as shall seem meet and agreeable to equity.

ELLIS, WIMBISH & ELLIS,
Solicitors for Complainants.

W. D. ELLIS,
W. A. WIMBISH,
Of Counsel.
525 Prudential Building, Atlanta, Ga.

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VERIFICATION.

State of Georiga,
County of Fulton.

In person appeared before the undersigned J. Lee Ensign, who being duly sworn deposes and says that he is one of the complainants named in the foregoing bill, that he has read said bill and knows the contents thereof, and that the facts therein stated of his own knowledge are true except facts stated upon information and belief, and as to such he verily believes them to be true.

J. LEE ENSIGN.

Sworn to and subscribed before me, this April 13th, 1903.
ALBERT BOYLSTON.
Notary Public Fulton Co., Ga.

Shipments Made by the Garbutt Lumber Company, Wright, Ga., During the Month of March, 1903, to Points That Will Be Affected by the Two Cents Advance in Rate:

Date.	Car.	No.	Dest.	Wt.		Frt.		Net Value.
Mar. 11	Wab	60774	South Bend	42,300	25c	105.75	Lbr	81.81
17	I. C.	11777	Joliett, Ill.	28,100	25c	70.25	"	59.98
20	I. C.	12624	Spg. Valley	36,500	25c	91.25	"	76.29
21	I. C.	34674	Joliett	29,500	25c	73.75	"	59.05
24	C. C. & St. L.	4205	Spg. Valley	43,550	25c	108.37	"	83.06
24	M. & O.	600	Dayton	35,950	24c	89.87	"	86.67
27	Son	33360	Vincennes	34,050	26c	88.53	"	69.66
28	G. S. & F.	4949	"	32,300	26c	83.98	"	65.88
26	I. C.	17767	Spg. Valley	43,050	25c	107.62	"	91.00
26	C. & G.	1618	"	37,300	25c	93.25	"	94.18
27	C. & A.	5090	Mt. Vernon	37,300	19c	70.87	"	58.84
28	"	1819	"	44,600	19c	84.74	"	61.03
31	B. & M. R.	2914	"	27,600	19c	52.44	"	47.45
				482,100		1120.67		934.90

15 BILL FOR INJUNCTION AND RELIEF.

In the Fifth Circuit Court of the United States, for the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway, et al.

Order.

Upon reading and considering the verified bill presented in the above entitled cause, jurisdiction thereof is hereby entertained, and the bill is ordered to be filed in the office of the clerk of this Court at Macon in said District.

And it appearing from the allegations of said bill that irreparable injury may result to the complainants unless an immediate restraining order be granted, inasmuch as otherwise the proposed increase in rates will be put into effect by the defendants on April 15th, 1903;

It is thereupon ordered, that the defendants named in said bill, and each of them be and appear before me at the United States court room in the City of Macon, Ga., on the 24th day of April, 1903, at 10 o'clock in the forenoon, then and there to show cause, if any they can, why an injunction should not be granted as prayed in the bill.

It is further ordered that the defendants and each of them, to-wit, the Southern Railway, a corporation
16 of the State of Virgina; Atlantic Coast Line Railroad Company, a corporation of the State of South Carolina; Louisville & Nashville Railroad Company, a corporation of the State of Kentucky; Nashville, Chattanooga & St. Louis Railway Company, a corporation of the State of Tennessee; Seaboard Air Line Railway Company, a corporation of the State of Virginia; Central of Georgia Railway Company, a corporation of the State of Georgia; Georgia Southern & Florida Railway Company, a corporation of the State of Georgia; Macon & Birmingham Railway Company, a corporation of the State of Georgia, and the Southeastern Freight Association, and S. F. Parrott, chairman thereof, be and they are hereby severally and jointly restrained temporarily from putting into effect increase set forth in the bill of rates of freight on yellow pine lumber within the State of Georgia to Chattanooga, Tennessee, or to points on the Ohio river and beyond in accordance with the

prayer of the bill for a temporary restraining order; this order to remain in force until the hearing, or until otherwise ordered by the Court.

It is further ordered that the defendants, and each of them, be served with this order, at least five days before the hearing, by delivery of a copy to any officer or traffic agent of the several defendants within this district, or within the Northern District of Georgia.

Dated and signed at Chambers this April 14th, 1903.

(Signed) EMORY SPEER,
U. S. Judge.

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66 AMENDMENT TO ORIGINAL BILL.

In the Fifth Circuit Court of the United States for the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

Bill for Injunction and Relief.

Now come the complainants in the above entitled cause before the filing of any demurrer, plea or answer, by the defendants or either of them and by leave of the Court first had and obtained amend their original bill of file in said cause, as follows, to-wit:

First.

By adding after the words "Southern Railway" as they occur in the stating clause, and in the prayer for process in the bill the word "Company."

Second.

By adding at the end of the second (II) paragraph, the words " in violation of the provisions of the Act of Congress of July 2, 1890, known as the Sherman Anti-Trust Act."

Third.

By adding at the end of the third (III) paragraph of the

bill, the following words: "In violation of the provisions of the Act of Congress of July 2nd, 1890, known as the Sherman Anti-Trust Act."

Fourth.

By inserting between the words "unjust, unreasonable and arbitrary," and the words "in this, to-wit," in the introductory clause of the fifth (V) of the bill, the following words:

"And in violation of Section 1, 2, and 3, of the
67 Act of Congress of February 4th, 1887, known as the Interstate Commerce Act, and the acts amendatory thereof." So that said introductory clause as amended will read as follows:

"Your orators show that the proposed increase in rate is unjust, unreasonable and arbitrary and in violation of Sections 1, 2, and 3 of the Act of Congress of February 4th, 1887, known as the Interstate Commerce Act, and the acts amendatory thereof in this, to-wit:"

Fifth.

By adding at the end of the first sentence of the 7th (VII) paragraph of the bill, the following words: "And in violation of the act of Congress of July 2, 1890, known as the Sherman Anti-Trust Act."

Sixth.

By adding after the seventh (VII) paragraph of the bill, preceding the jurisdictional clause, the following paragraph to be numbered VIII.

"VIII.

Your orators further show that the proposed increase in rates if put into effect will occasion irreparable injury to your orators and others of the class represented by them in this suit, for that the injury will be a continuing wrong and a constant recurring grievance in capable of pecuniary estimation, and for the redress of which no adequate legal remedy exists. Your orators submit that actions for damages occasioned after the injury has been done will not afford adequate relief, and would occasion a multiplicity of suits."

Wherefore your orators pray as in and by their original bill they have already prayed.

ELLIS, WIMBISH & ELLIS,
Solicitors for Complainants.

W. D. ELLIS,
W. A. WIMBISH,
Of Counsel.

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"ORDER."

The foregoing amendment is hereby allowed and ordered filed. Let complainants furnish the defendants and each of them a fair copy of the amendment and this order.

Dated and signed at Macon, Georgia, this May 7th, 1903.

EMORY SPEER,
U. S. Judge.

(Indorsement:) In the U. S. Circuit Court, Western Division, Southern District of Georgia. No. 514. In Equity. H. H. Tift, et al., vs. Southern Railway Co., et al. Amendment to original bill and order thereon. Filed May 8, 1903. Cecil Morgan, Deputy Clerk.

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69 DEMURRER OF RESPONDENTS.

In the Circuit Court of the United States for the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

Bill for Injunction and Relief.

The demurrer of the Southern Railway Company, and the other named defendants in said case, to the said bill of complaint of H. H. Tift, et al., the above named plaintiffs.

These defendants, by protestation, not confessing or acknowledging all or any of the matters and things in the said plaintiff's bill to be true in such manner and form as the same are therein set forth and alleged do demur thereto, and for cause of demurrer show that the said plaintiffs have not

in and by virtue of their said bill made or stated any such cause, as doth or ought to entitle them to any such relief, as is therein sought and prayed.

1. Because it appears by the allegation of said bill of complaint that the same does not present a controversy between citizens of different States, but presents a controversy between citizens of Georgia, as plaintiffs, and citizens of Georgia and citizens of other States as joint defendants, and said bill of complaint does not set up any controversy between said plaintiffs and said defendants arising under the Constitution or laws of the United States.

2. Because the facts stated in said bill of complaint show no case of which the United States Circuit Court for the Southern District of Georgia has jurisdiction in equity.

3. Because it appears from the allegations in said bill that the said plaintiffs have not made or stated such cause as entitles them to the relief sought and prayed for, against these defendants in a court of equity of the United States.

4. Because it does not appear from the allegations in said bill of complaint that the same is brought or filed under any statute of the United States and the same does not set forth facts showing that the complainants or either of
70 them are entitled to maintain any bill of complaint against these defendants or either of them under any statute of the United States.

5. Because it appears from the said complainants' bill of complaint and upon the face of said bill that the said complainants have each an adequate and complete remedy at law, for the said several alleged wrongs, in said bill of complaint, set up against these defendants.

6. Because it appears by the allegations of the said bill of complaint and upon the face of said bill of complaint that the same is brought to restrain an alleged contract, combination or conspiracy in restraint or trade or commerce, among several States, and to monopolize a part of the trade or commerce, among said several States, in contravention of the statutes of the United States, and that under said statutes of the United States neither said plaintiff nor any individual have any right to any relief in equity, but are restricted to the remedy at law provided by said statute.

7. Because the allegations of said bill of complaint do not show that said plaintiffs or either of them are entitled to maintain an action under the statute of the Unied States entitled "An act to regulate commerce," and acts amendatory thereof.

8. Because the granting of the injunction sought in this case would in effect fix the rate to be charged by the defendants in the future for the transportation of lumber from Georgia points to points on the Ohio river and beyond, at the rates now prevailing as the maximum rates, that the right to fix such rates is a legislative power, and not a judicial one, and a decree so fixing said rates is beyond the power and jurisdiction of the Court.

Wherefore and for divers other good cause of demurrer appearing in said bill these defendants demur thereto and humbly demand the judgment of this Court whether they shall be compelled to make any further or other
71 answer to said bill, and pray to be dismissed with their costs and charges in this behalf most wrongfully sustained.

ED BAXTER,
Of Counsel for Defendants.

United States of America,
Southern District of Georgia,
County of Bibb.

J. M. Culp makes solemn oath and says that he is vice-president of one of the above defendants, to-wit, Southern Railway Company, and that the foregoing demurrer is not interposed for delay.

J. M. CULP.

Sworn to and subscribed before me, this May 12th, 1903.
L. M. ERWIN,
Deputy Clerk U. S. Cir. Court, Southern Ditsriet of Georgia.

I hereby certify that in my opinion the foregoing demurrer is well founded in point of law.

ED BAXTER,
Of Counsel for Defendants.

(Indorsement:) U. S. Circuit Court, Western Division, Southern District of Georgia. H. H. Tift, et al., vs. South-

ern R'y Co., et al. Demurrer of Respondents. Filed May 12th, 1903. Cecil Morgan, Deputy Clerk.

The Western Union Telegraph Company.

25 A. F. Dr. 34 DH.

Wilmington, N. C., Apl. 9th, 1903.

J. M. Cutler,
Macon, Ga.

File Q—5480—F. Yours 8th, effective 15th, lumber carloads from our groups 2 and 3 to Mt. Vernon, Ill., twenty-four cents per hundred pounds.

(Signed) H. M. EMERSON.

The Western Union Telegraph Company.

Portsmouth, Va., Apl. 8, 1903.

J. M. Cutler,
Macon.

Desk F. Yours date effective April fifteenth our rate on lumber C. & A. Stations at Mt. Vernon, Ill., will be twenty-four cents.

(Signed) C. R. CAPPS.

The Western Union Telegraph Company.

Savannah, Ga., Apl. 8th, 1903.

To J. M. Cutler,
Macon, Ga.

Effective April fifteenth our lumber rate to Mt. Vernon, Ill., will be group one twenty-four cents. Rates made on Ohio river combination.

(Signed) W. E. ESTES.

The Western Union Telegraph Company.

An Rw Z 74 DH 6 Extra.

Washington, D. C., Apl. 4, 1903.

J. M. Cutler,
Macon, Ga.

Referring to call for meeting Memphis April seventh to hear Messrs. Ensign and Tift and their committee representing Georgia Saw-Mill Association it is thought desirable to hold this meeting Atlanta ninth instant and your personal attendance required because the lumber men are not satisfied with the representing at previous meetings at which their remarks were heard. Joint H. M. Emerson, Copt, Cutler, Compton, Smith and Lane.

S. F. PARROTT,
W. A. WINBURN,
T. C. POWELL.

235 pp.

The Western Union Telegraph Company.

Atlanta, Ga., Apl. 2, 1903.

J. M. Cutler,
Macon, Ga.

Southern Railway has communication from Committee Georgia Saw-Mill Assn. requesting further hearing on lumber rates before advanced rates become effective, claiming at Conference Atlanta Feby. twenty-fourth in Atlanta transportation lines were not represented by officials charged with adjustment of rates. Southern Ry. suggests matter be further discussed with lumbermen at Memphis on April seventh. Can you be present or represented. Joint Niel, Estes, Cutler, Emerson, Capps, Jackson, Knox, Biles, Miller, Goodwin, Cameron, Stele, Sevier, Washburn.

S. F. PARROTT.

1155 A/

RATE ADJUSTMENT.

April 5th, 1903—wfa.

Rates on lumber and forest products from Southeastern points to Tennessee and Kentucky Junction points, Ohio and Mississippi River Crossings and points basing thereon.

Mr. S. F. Parrott, Chairman,
Atlanta, Ga.

Dear Sir:

Referring further to my letter to you of March 5th, supplemented by my letter of March 25th, in regard to rates on lumber and forest products from points on, our line in the Southeast to Tennessee and Kentucky Junction points, Ohio and Mississippi River Crossings and points basing thereon.

Will you please also issue for this company and its connections rates on Lumber, carloads, from points of origin named in statement accompanying my letter of March 5th, destined to points north of the Ohio River and East of the Mississippi River and West of the Western termini of the Trunk Lines on the lowest combination?

Please also publish for this company and its connections an advance of 2c per 100 pounds on lumber, carloads, from the same points of origin to points in the Buffalo-Pittsburg zone, and in preparing the through rates to Buffalo-Pittsburg points use to Virginia Gateways the basing rates shown on statement which I enclose herewith.

Yours truly,
(Signed) H. M. EMERSON.
Traffic Manager.

Copies to Messrs. James Menzies, J. M. Cutler, C. R. Capps, W. E. Estes, E. A. Niel.

Central of Georgia Railway Company.

Savannah, Ga., 4/1st, 1903. 1140A

J. M. Cutler,
Macon, Ga.

Desk B. Will advance our Lumber rates to Buffalo-Pittsburg Territory two cents per hundred pounds effective Apl. 15th. Joint Cutler, Menzies.

(Signed) W. E. ESTES.

1009 A. M.

Wilmington, 4/1.

J. M. C.

File B. Yours 31st it is our intention to advance lbr. rates to Chattanooga two cents per hundred pounds effective April 15th.

(Signed) J. W. PERRIN.

Atlantic Coast Line Railroad Company.

Wilmington, N. C. ,March 21, 1903—gb

Rate Adjustment—Lumber from Lake City, Fla., to Buffalo-Pittsburg Points.

Mr. C. R. Capps, G. F. A.,

Portsmouth, Va.

Dear Sir:

Referring to your letter 5th instant, file 24977-F, to Mr. Menzies. Present published rate on lumber, carloads, from Lake City, Fla., to Buffalo-Pittsburg points is 31-1/2 cents per hundred pounds, made on Chattanooga combination. As the rate from Chattanooga has been advanced 1/2 cent, suggest we issue rate of 32 cents per 100 pounds, effective April 15th, 1903.

Kindly advise if this will be satisfactory to you, and as I have sent copies of this letter to Mr. Cutler, will be glad to have his views also.

Yours truly,

(Signed) J. W. PERRIN.

Asst. Genl. Freight Agent.

Copy,

Mr. J. M. Cutler, G. F. A., Macon, Ga.

Mr. James Menzies, G. F. A., Savannah, Ga. (File 32121-B.)

TELEGRAM.

Georgia Southern & Florida Railway Company.

Atlanta, 3/30/1903.

J. M. Cutler,

File B. in reference to advance in rate on lumber effective Apl. 15th, it was understood that rates to Buffalo-Pittsburg territory would be advanced 2 cents 100 lbs and that necessary advances in in the basing rates to Virginia Cities would be made to bring about this result I have filed announcement with Chas. Parrott of our intention to advance the Buffalo-Pittsburg territorial rates two cents 100 pounds and we are issuing on that basis. Presume that you are doing likewise.

(Signed) E. A. NIEL.

TELEGRAM.

Georgia Southern & Florida Railway Company.

Atlanta 30.

J. M. Cutler,

File B. your wire date yes sir it is our intention to advance the rates on lumber to Chatta two cents per 100 lbs. except where this will make than our continuous local the record of third joint convention is very clear as to what is to be done and we have filed our announcement in line with recommendation submitted at that meeting.

(Signed) E. A. NIEL.

Central of Georgia Railway Company.

Savannah, Ga., 3/28th, 1903, 3:40 P. M.

J. M. Cutler,

Macon, Ga.

Yours 26th, Recommendation as to advance to Chattanooga is shown on Page 965 Printed Proceedings Joint Convention. Will advance our rates April 15th.

(Signed) W. E. ESTES.

The Western Union Telegraph Company.

Mch. 28, 1903,

Wilmington, N. C., 28.

J. M. Cutler,
Macon, Ga.

File B. my letter twenty-first lumber Lake City to Buffalo-Pittsburg points, please amend suggestion changing proposed rate of thirty-two cents to read thirty-four cents as the rate from Lake City to Chattanooga will be advanced two cents hundred this will establish rate of thirty-four cents on Chattanooga combination. Original Capps, copy Cutler.

(Signed) J. W. PERRRIN.

Central of Georgia Railway Company.

Savannah, Ga., 3/26th, 1903.

J. M. Cutler,
Macon, Ga.

Desk B. Will your declaration covering advanced lumber rates effective April 15th increase rates to Chattanooga two cents per 100 lbs. as recommended. Third Joint Convention. Original Niel; copy Capps, Cutler, Menzies.

(Signed) W. E. ESTES.

Georiga Southern & Florida Railway.

Atlanta, 3/25/1903.

J. M. Cutler,

File B. Your wire 23rd lumber Georgia territory to Buffalo-Pittsburg territory. It is our intention to advance rates effect Apr. 15th two cents 100 lbs. It was understood basing rates to Va. gateways would be advanced sufficiently to protect this 2 cents advance. It was also understood that rate to Chatta. would be advanced 2c.

(Signed) E. A. NIEL.

The Western Union Telegraph Company.

Wilmington, N. C., Mar. 24, 1903.

J. M. Cutler,
Macon, Ga.

File B. Yours 23rd. Understand lumber rates to Buffalo-Pittsburg territory are to be made via Ohio river on Cincinnati combination regardless of fact this may bring about advance. We will advance two cents per hundred pounds to Tennessee & Kentucky Junction points.

(Signed) H. M. EMERSON.

Louisville & Nashville Railroad Company.

Louisville, Ky.

Atlanta, Ga., March 13th, 1903.

Mr. M. P. Washburn,
Chairman S. E. M. V. Assn.,
Louisville Ky.

Dear Sir:

Rates on Lumber.

This is to advise you that effective April 15th, 1903, it is the purpose of the Louisville & Nashville R. R. to advance the present rates on yellow pine lumber, carloads, to the extent of two cents per hundred pounds from all points on its line to St. Louis, East St. Louis and all Mississippi river crossings between Memphis and St. Louis and all Ohio river crossings, Cairo to Cincinnati both inclusive. Rates on yellow pine lumber to all points north of the Ohio river and east of the Mississippi river to and inclusive of points in the Buffalo-Pittsburg zone will be made on the lowest combination, effective April 15th.

It is also our purpose to make a corresponding advance of two cents per hundred pounds in the rates on yellow pine lumber from stations on our line to Memphis, Tenn., Nashville, Tenn., and to West Tennessee and Kentucky Junction points, provided this advance is not in excess of our local mileage scale.

Yours truly,
(Signed) D. M. GOODWYN,
Genl. Freight Agent.

Copy to J. M. Cutler.

Atlantic Coast Line Railroad Company.

Atlanta, Ga., March 11, 1903.

Mr. E. A. Niel, G. F. A.,
Atlanta, Ga.

Dear Sir:

Lumber from Southeastern Territory to Ohio and Mississippi River crossings and beyond.

Yours of the 6th, 3149—W. in which you advise that it will be your purpose to make the advance on lumber from Southeastern territory to Ohio River and Mississippi River Crossings and beyond, effective April 15th. This date will be satisfactory to us and assuming that all other lines will concur therein, we will proceed accordingly.

Your truly,

.....
Genl. Freight Agent.

Copy, SFP, MPW, JWP, JMC.

The Western Union Telegraph Company.

Louisville, Ky., Mar. 7th, 1903.

J. M. Cutler,
Macon, Ga.

Flo. please see my wire 4th, in regard to date effective of advance in yellow pine lumber rates from Southern points and kindly favor me with reply.

(Signed) D. M. GOODWYN.

The Southeastern Freight Association.

Atlanta, Ga., March 3rd, 1903.

Rates on Lumber, Carloads to the West.

To the Members of the Conference Committee of the Southeastern Freight Association.

Gentlemen:

Referring to previous mimeograph communications to you on this subject, especially to mimeograph circular letter of Feb. 27th, we beg to advise that declarations regarding the advance of two cents per hundred pounds on lumber, have been received from lines named, as follows:

Southern Railway, effective April 15th; Georgia Railroad, effective April 15th; Alabama Great Southern R. R., effective April 15th; Georgia Southern & Florida Ry., effective April 15th.

Other originating lumber lines not heard from, except that Mr. Spencer, Traffic Manager of the Jacksonville & Southwestern Railroad writes the undersigned under date of February 27th, as follows:

"Our attention is called to the fact that the lumber industries throughout Louisiana, Mississippi and Arkansas are enjoying rates to Ohio River points and points thereby on lumber of 1c. per cwt. lower than applicable from Jacksonville and points taking same rates. Will you not kindly take this matter under consideration in the revision of rates now pending before your association."

The Chairman is not sure as to just what action Mr. Spencer desires, and will correspond further regarding the matter.

Yours truly,

S. F. PARROTT,
Chairman.

Copy, as information to
Mr. G. W. Cale, Chairman, St. Louis, Mo.
Mr. M. PM. Washburn, Chairman, Louisville, Ky.
Mr. W. C. Stith, FTM, St. Louis, Mo.
Mr. H. E. Farrell, FTM, St. Louis, Mo.
Mr. A. S. Dodge, FTM, St. Louis, Mo.
Mr. C. Haile, TM, St. Louis, Mo.

The Western Union Telegraph Company.

Louisville, Ky., Mar. 4th, 1903.

J. M. Cutler,
Macon, Ga.

Fox, recalling conference at Piedmont Hotel, in Atlanta,

last week respecting advance in rates on yellow pine lumber investigation of condition of our line and of uncompleted contracts of lumber, for which we have been unable to furnish cars, has been completed sufficient for me to say that the L. & N. R. R. is prepared to make the advance of two cents per hundred lbs. effective April first, without qualification if that date is satisfactory to all concerned. I suggest the advance on April first, or at latest April fifteenth.

Please answer.

(Signed) D. M. GOODWYN.

Southeastern Freight Association.

Atlanta, Ga., February 27th, 03.

Rates on Lumber, Carloads to the West.

To the Members of the Conference Committee of the South eastern Freight Association.

Gentlemen:

Under date of Feb. 25th, in a mimeograph letter, we quoted you a communication from Mr. E. A. Niel, G. F. A. Southern Railway, dated February 25th, advising that it would not be the purpose of the Southern Railway to make the advanced rates on lumber effective before April 15th.

On February 26th, Mr. J. M. Cutler, G. F. A., telegraphed us as follows:

"Referring to my declaration dated Feby. thirteenth, covering advance in lumber rates two cents per hundred pounds and amend same making date effective April fifteenth."

We received a telegram yesterday afternoon, dated St. Louis, Mo., February 26th, signed A. S. Dodge, H. E. Farrell, W. S. Stith and C. Haile, reading as follows:

"Referring to Vice-President Dikinson's suggestion to Executive Officers, that horizontal advance in yellow pine rates be made effective April first, we are agreeable to this suggestion, believing that it will place all lines in position to deny protection of lumber contracts after April first, and will act accordingly unless we hear from your meeting that this plan will not be carried out."

We have replied to this telegram as follows:

"Your wire yesterday: At conference here on twenty-fourth and twenty-fifth, it was deemed impracticable to make advance in lumber rates effective March first, because of position of one line regarding contracts. Recommendations were made, as to making advance effective April first, and April fifteenth, it being understood that contracts would not be protected after the advance on either date. Since adjournment of meeting two important lumber lines have announced that they would make proposed advance of two cents per hundred pounds effective April fifteenth. These announcements are known to the Georgia Saw-Mill Association, which will probably make it impracticable to advance the lumber rates before April fifteenth."

Yours truly,

S. F. PARROTT,
Chairman.

Copy, as information to
Mr. G. W. Cale, Chairman, St. Louis, Mo.
Mr. M. F. Washburn, Chairman, Louisville, Ky.
Mr. W. C. Stith, FTM, St. Louis, Mo.
Mr. H. E. Farrell, FTM, St. Louis, Mo.
Mr. A. S. Dodge, FTM, St. Louis, Mo.
Mr. C. Haile, TM, St. Louis, Mo.

The Western Union Telegraph Company.

Nashville, Tenn., Feb. 28th, 1903.

J. M. Cutler,
Macon, Ga.

File E. Ypur [your] wire twenty-sixth. In view of action of L. & N. respecting advanced rates on pine lumber to Ohio River crossings, Hickman and St. Louis Groups, we have withdrawn our advanced rates which have become effective Mar. 1st, and contemplate putting the advance in effect on either April first or fifteenth, depending ability of L. & N. to make the advance effective without their reservation as to protecting contracts at old rates.

(Signed) GEO. R. KNOX.

The Southeastern Freight Association.

Atlanta, Ga., February 25th, 1903.

Rates on Lumber, Carloads to the West.

To the Members of the Conference Committee of the Southeastern Freight Association.

Gentlemen:

Referring to my other mimeograph circular letter to you of this date on the above subject, I beg to advise that I am this afternoon in receipt of a letter from Mr. E. A. Niel, G. F. A. Southern Railway, dated to-day, reading as follows:

"Please be advised that the Southern Railway has telegraphed the Interstate Commerce Commission to-day, withdrawing advanced rates on yellow pine lumber, to Ohio and Mississippi River crossings and beyond, effective March first, and that it will not be our purpose to make these advance rates effective before April fifteenth."

I also attach hereto, as information, a copy of a communication of this date, from Mr. L. Green, A. G. F. A. Southern Railway, addressed to Chairman Washburn, and the undersigned, respecting the requirement of the Interstate Commerce Commission as to notice of withdrawal of tariffs.

Yours truly,
(Signed) S. F. PARROTT,
Chairman.

Central of Georgia Railway Company.

Atlanta, Ga., Feb. 25th, 1903.

Freight Rates—Advance in Lumber Rates to the West.

Mr. Wm. Checkley Shaw, Vice-President, Georgia Southern & Florida Railway,
Macon, Ga.

Dear Sir:

Noting copy of your telegram to Vice-President Dickinson of the Louisville & Nashville Railroad, relative to effective date of advance on lumber to the West.

I understand that the Southern Railway has announced its intention of making this advance effective April 15th, anticipating that the Louisville & Nashville Railroad will be clear of contracts by that time. I am informed, however, ——— by the Southern Railway officials that if the Louisville & Nashville Railroad can make its advance effective April 1st, without further protection of contracts, that the rates from Southern Railway stations will be advanced at the same time. We will probably know definitely the attitude of the Louisville & Nashville Railroad before the 10th of March, and I hope you will find it consistent to hold up definite notice of the date of advance in rates from Georgia Southern & Florida Railway stations until that date. I think the advance should be made as early as possible, and I hope the Louisville & Nashville situation, when ascertained, will permit all lines to make the advance on April 1st.

Yours truly,
(Signed) W. A. WINBURN,
V-Prest. & Traffic Manager.

Southern Railway Company.

Atlanta, Ga., February 25th, 1903.

Rate Adjustment—Lumber, Southeastern points to Ohio River Crossings and beyond.

Mr. S. F. Parrott, Chairman,
Atlanta, Ga.

Dear Sir:

Please be advised that the Southern Railway has telegraphed the Interstate Commerce Commission to-day, withdrawing advanced rates on yellow pine lumber to Ohio and Mississippi River crossings and beyond, effective March first, and that it will not be our purpose to make these advanced rates before April fifteenth.

Yours truly,
E. A. NIEL,
Genl. Freight Agent.

Cy Messrs. WEEstes,

A. G. Jackson,

J. M. Cutler,
C. R. Capps,
R. A. Brand,
James Menzies,
D. M. Goodwyn,
G. R. Knox,
G. P. Biles,
F. B. Bowes,
L. Sevier,
T. F. Steele,
H. Miller,
T. S. Davant,
E. K. Voorhes,
Lee McClung,
T. C. Powell,

The Western Union Telegraph Company.

Atlanta, Ga., Feb. 27th, 1903.

J. M. Cutler,
Macon, Ga.

File B. Your wire twenty-sixth, as per our phone conversation this date, we will not make the advance in lumber rates effective before April fifteenth.

E. A. NIEL.

Louisville, Ky., Feb, 27, 1903.

Wm. Checkley Shaw,
Macon, Ga.

Refer to my wire twenty first, regarding proposed advance in lumber rates. We have concluded not to make the advance effective March first. The lines from whom we have heard suggest April first or fifteenth as the effective date of the advance. This, however, can be arranged definitely later. Original Clarke, Copy Winchell, Harahan, Harvey, Culp Winburn, Emerson, Barr, Shaw, Thoos.

(Signed) Wm. J. DICKINSON.

Copy to
Mr. J. M. Cutler, G. F. A.

The Southeastern Freight Association.

Atlanta, Ga., February 25th, 1903.

Rates on Lumber, Carloads to the West.

To the Members of the Conference Committee of the Southeastern Freight Association.

Gentlemen:

Referring to the consideration and discussion of this subject at the Piedmont Hotel, by interested lines on February 24th and 25, 1903; I beg to advise that I have to-day sent the following telegram.

"Atlanta, Ga., Feb. 25th, 1903.

G. W. Calck, St. Louis, Mo.,
M. PM. Washburn, Piedmont Hotel, Atlanta, Ga.,
W. C. Stith, St. Louis, Mo.,
H. C. Farrel, St. Louis, Mo.
A. S. Dodge St. Louis, Mo.

Originating lumber lines in the Southeast, in session here to-day, have ascertained they cannot make the advanced rates on pine lumber to River Crossings, St. Louis and East St. Louis to Cincinnati, inclusive, and points beyond, effective March first. Will advise you to-morrow or next day what date the two cents advance will be made effective. Please extend notice to your members. Original Calc, Copy Washburn, Stith, Farrell, Dodge.

..... (Signature)"

Yours truly,

S. F. PARROTT,
Chairman.

Copy as information to:
Mr. R. A. Brand, G. F. A., ACLRR.
Mr. L. E. Chalenor, A. G. F. A., SALRy.
Mr. J. R. Lane, GM., M&BRy
Mr. R. A. Chadwick, CA., AGSRR.
Mr. WEEstes, GFA., C of Ga. Ry.
Mr. E. K. Voorhes, Agfa., KCM&BRR.
Mr. W. H. McGuffey, CC., CNO&TPRY.
Mr. J. M. Denyven, AGFA., M&ORR.
Mr. E. T. Eckles, CC., NC&StLRy.
Mr. D. W. Longstreet, AGFA., ICRR.

Mr. C. D. Boyd, AGFA., L&NRR.
Mr. M. P. Wgshburn, Chairman, Semva.
Piedmont Hotel, Atlanta, Ga.

The Western Union Telegraph Company.

Savannah, Ga., Feb. 27th, 1903.

J. M. Cutler,
Macon, Ga.

Yours date our present purpose is not to advance western lumber rates before April first, and probably not until April fifteenth.

(Signed) W. E. ESTES.

The Western Union Telegraph Company.

Portsmouth, Va., Feb. 27th, 1903.

W. C. Shaw,
Macon, Ga.

Referring to Mr. Dickinson's telegram to Mr. Clarke, Feb. twenty-fifth, owing to action of other lines, we will make advance lumber rates effective April fifteenth. Joint Harvey, Culp, Winburn, Emerson, Shaw, Thomas.

(Signed) J. M. BARR,

Capt. to JMC.

The Western Union Telegraph Company.

Louisville, Ky., Feb. 26th, 1903.

J. M. Cutler,
Macon, Ga.

Flo. Your wire date we have withdrawn our notice of advance in rates on lumber effective March first, and have postponed the date effective of the advance.

(Signed) D. M. GOODWYN.

The Southeastern Freight Association.

Atlanta, Ga., February 20th, 1903.

Personal: Mr. J. M. Cutler, General Freight Agent,
Macon, Ga.

Dear Sir:

Your telegram to date, advising that you will be unable to attend the meeting arranged with members of the Georgia Saw-Mill Association, at Atlanta, on the 24th inst.

We think it most important that the principal lumber originating lines be represented at this meeting and give careful and courteous attention to the complaint of the Georgia Saw-Mill Association. In case the rates should not be reduced, and the attendance might prove to be small, or not representative, it might subject the lines to unnecessary criticism.

Yours truly,
(Signed) S. F. PARROTT,
Chairman.

The Western Union Telegraph Company.

Washington, D. C., Feb. 23rd, 1903.

J. M. Cutler,
Macon, Ga.

Your wire twenty-first advance in lumber rates it is important that you state definitely whether you will put your advanced rates into effect March first, or whether said advance will be posponed. I do not understand that there is any practicable way of providing for contracts. Original Compton, Copt, Parrott, Dodge, Poe, Steel, Winburn, E. M. Emerson, Cost, Cutler, H. F. Smith, Washburn, Bowes, Niel.

(Signed) T. C. POWELL.

The Western Union Telegraph Company.

Louisville, Ky., Feb. 21st, 1903.

J. M. Cutler,
Macon, Ga.

With further reference to my telegram [the] twentieth,

reference rates on lumber it is not our purpose to postpone the advance in rates until all shippers can forward all lumber contracted for prior to notice of advance. The idea we desired to convey, was that an extraordinary and exceptional condition is developed in the matter, and that we felt it unfair to charge the advanced rates where the railroad had failed to furnish the car or where they had placed and embargo on the movement of the cars. Our notice is to the effect, we will not exact the advance on shipments contracted and ready to move prior to notice of the advance for which carriers have been unable or unwilling to furnish equipment. Where the railroads have been unable or unwilling to furnish equipment, and it is no fault of the shippers, then we desire to protect the old rates. The matter is having further careful consideration. Joint to Parrott, Dodge, Poe, Steele, Powell, Winburn, Emerson, Cost, Cutler, Smith, Washburn, Bowes.

(Signed) G. B. COMPTON.

The Western Union Telegraph Company.

New York, Feb. 21, 1903.

J. M. Cutler,
Macon, Ga.

Referring to call meeting Southeastern Freight Association lines at Atlanta, Tuesday, twenty-fourth, to confer Georgia Saw-Mill Association regarding advance in lumber rates to the West. Am advised that certain Western lines have given notice of intention to protect present rates on lumber already contracted for. In view of this notice have invited Mississippi Valley Line to attend conference with Saw-Mill Association for purpose of determining upon uniform action after complaint has been heard and considered. Suggest therefore importance of your company being represented at conference on twenty-fourth.

(Signed) S. F. PARROTT.

The Western Union Telegraph Company.

Washington, D. C., Feb. 21st, 1903.

J. M. Cutler,
Macon, Ga.

Your wire twentieth, rates on lumber. I do not concur

in your view that we should postpone the advance in lumber rates until shippers can forward all lumber contracted for prior to notice of advance. The Southern Ry. has not restricted the movement of its cars, and has supplied cars to the extent of its ability, and of this the mills have been fully advised from time to time. Therefore sales made beyond the capacity of the transportation companies to handle shows lack of judgment. Your recommendation carries with it and [an] indefinite postponement of the advaced rates at time when we need additional revenue. Do I understand your telegram to be definite notice that you will make no advance. Original Compton, Copies Parrott, Dodge, Dodson, Poe, Steele, Winburn, Emerson Cost, Cutler Smith and Washburn.

(Signed) T. C. POWELL.

The Western Union Telegraph Company.

Portsmouth, Va., 1 th, Feb.

J. M. Cutler,

Macon, Ga.

Desk C. Your wire sixteenth. I think we should give committee from Georgia Saw-Mill Association hearing and we will be represented at such meetng whenever called. Original Parrott, copy Winburn, Cutler, Emerson, Neil and Smith.

(Signed) C. R. CAPPS.

The Southeastern Freight Association.

Office of the Chairman.

Atlanta, Ga., Feb. 14th, 1903.

File. 34674.

Rates on Pine Lumber, Carloads to the West.

To the Members of the Conference Committee of the Southeastern Freight Association.

Gentlemen:

Referring to my mimeograph letter of Feb. 3rd and 4th,

regarding a proposed advance of two cents per hundred pounds on rates on lumber to the West, the following is an extract from the record of the 38th meeting of the Conference Committee, viz:

"Subject 1924. File 34974. Rates on pine lumber, carloads to the West. This subject was listed by unanimous consent upon request of various members and referred to the following sub-committee: Mess. C. R. Capps, Chairman; H. M. Emerson, W. E. Estes, J. M. Cutler, T. C. Powell, E. K. Bryan, Jr., M. V. Mahoney, H. F. Smith and A. G. Jackson.

The following recommendation was submitted:

Recommended that effective, March 1st, 1903, the rates on lumber from Southeastern territory to Ohio River Crossings be increased two cents per hunderd pounds and rates beyond made on lowest combination, with the understanding that the question of divisions will be handled on its merits.

The following recommendations was also submitted:

Recommended that, contingent upon a like advance from points in Arkansas, Texas, Louisiana, Mississippi and Alabama, an advance of two cents per one hundred pounds be made in rates on pine lumber from points in Georgia, Florida, Alabama to Memphis, Tenn., Nashville and West Nashville, Tenn., and to interior junction points in Kentucky and Tennessee, and to intermediate river crossings between Memphis and Cairo.

The recommendations were discussed and no further action taken thereupon."

A number of declarations have been filed with the undersigned all of the declarations requiring an advance of two cents per one hundred pounds, effective, March 1st, 1903, on pine lumber to the West, and that rates beyond the Ohio River, Cairo to Cincinnati, inclusive, be made on lowest combination. Some of the declarations, however, cover points beyond the Ohio River and West of the western termini of the trunk lines, while others are limited. Some of the declarations cover Memphis, Nashville and West Nashville, and junction points in Tennessee and Kentucky, while others do not. Again, Western Lumber Tariff No. 1, is in bad shape, in so far as it is a compilation of the total rates in tariffs of the interested lines filed with the undersigned for

publication without any explanation being made as to the basis by which the total rates were arrived at, and in some instances the shorter lumber producing lines having more than one connection, have rates compiled by each connection on a different basis. Again, only total rates have been furnished the Chairman, and no advice furnished as to the basing rates to Ohio River Crossings, and the undersigned is not in possession of a full line of arbitraries north of the Ohio River.

We understand that all the interested lines will publish an advance of two cents per one hundred pounds, effective, March 1st, 1903, on pine lumber to Ohio River Crossings, Cairo to Cincinnati, inclusive, and to St. Louis and East St. Louis, and that points beyond the Ohio River and East of the Mississippi River, and west of the western termini of the trunk lines will be made on lowest combination, and further, that an advance of two cents per one hundred pounds will be published to other points effective, March 1st, 1903, by a number of lines, possibly by all lines.

The undersigned will to-day issue a supplement to Western Lumber Tariff No. 1, reading as follows:

"Effective March 1st, 1903. Western Lumber Tariff No. 1, will be cancelled."

It being the purpose of the undersigned to follow this matter up and to, at as early a date as practicable, publish a complete lumber tariff from all producing points in the Southeast to Ohio and Mississippi River Crossings, and points beyond and to Tennessee and Kentucky Junction points.

All members are urgently requested to file at once with the undersigned copies of their advanced rates taking effect March 1st, 1903.

Yours truly,
(Signed) S. F. PARROTT,
Chairman.

The Western Union Telegraph Company.

Atlanta, Ga., Feb. 16th, 1903.

J. M. Cutler,
Macon, Ga.

Mr. Thompson, Southern Railway, has referred the following to me:

"A committee from the Georgia Saw-Mill Association desires conference with freight traffic officials in this territory with reference to advance in rates, effective, March first. Please advise if you can arrange this for us at an early date.

(Signed) S. S. TIFT,
President.

"Please advise if you deem it practicable or advisable to give these gentlemen a hearing. Joint Winburn, Capps/ Emerson, Niel, Smith.

S. F. PARROTT.
1147AM

Macon & Birmingham Railroad Company.

Macon, Ga., Feb. 13th, 1903.

Fil [File] .....

Advance of two cents per one hundred pounds in rates on lumber to Ohio and Mississippi River Crossings and Western and Northern points.

Mr. S. F. Parrott, Chairman,
Atlanta, Ga.

Dear Sir:

Please publish for the Macon & Birmingham Railway and ots connections, an advance of two cents per one hundred pounds in lumber rates, published for its line, either as an originating line or participating line, in western lumber tariff No. 1, to Ohio River Crossings, Cairo to Cincinnati, inclusive; revising rates to all points beyond the Ohio River on lowest combination, these revised rates to be made effective March 1st, 1903.

Very truly,
(Signed) J. F. LANE,
General Manager.

dnl/p
cy can, wwe, agj, grk, rel, are, jm, ccw. j mc.

The Southeastern Freight Association.

Atlanta, Ga., Feb. 9th, 1903.

File No. 3497-A.

Advance of two cents per one hundred pounds in rates on lumber to the Ohio and Mississippi River Crossings and Western and Northern Points.

To the Members of the Conference Committee of the Southeastern Freight Association.

Gentlemen:

Referring to my mimeograph letter of Feb. 3rd and 4th, addressed to the members of the Executive Board and Conference Committee, I am in receipt of a separate written declaration from Mr. C. R. Capps, General Frieght Agent of the Seaboard Air Line Ry., reading as follows:

Please publish for the Seaboard Air Line Ry. and its connections an advance of two cents per one hundred pounds in lumber rates published for this line either as an originating line or participating line, in Western Lumber Tariff No. 1, effective, Feb. 12th, 1903. In reissuing these rates make all points north of the Ohio River and west of the western termini of the trunk lines on the lowest combination."

I am also in receipt of a separate written declaration from Mr. E. A. Niel, General Freight Agent of the Southern Railway, dated Feb. 4th, reading a [as] follows:

"Please publish for the Southern Railway and its connections an advance of two cents per one hundred pounds in the lumber rates published for this line either as and [an] originating or participating line in the Western Lumber Tariff No. 1, to Ohio and Mississippi Crossings, Nashville and West Nashville, Tenn., and Kentucky Junction pints, [points], revising the rates to all points north of the Ohio River and west of the western termini of the trunk line on the lowest combination; the advanced rates to be made effective, March 1st."

"I will advise you later regarding the rates from Virginia and Southwestern Railway local stations."

Yours truly,

(Signed) S. F. PARROTT,
Chairman.

The Southeastern Freight Association.

Office of the Chairman.

Atlanta, Ga., Feb. 9th, 1903.

File 34974.

Mr. J. H. McWilliams, GFA., Knoxville, Tenn.

Mr. H. M. Emerson, T. M., Wilmington, N. C.

Mr. W. E. Estes, G. F. A., Savannah, Ga.

Mr. E. Williams, G. F. A., Augusta, Ga

Mr. J. M. Cutler, G. F. A., Macon, Ga

Mr. J. R. Lane, G.M., Macon, Ga.

Mr. G. R. Knox, G. F. A., Hashville [Nashville], Tenn.

Mr. M. V. Mahoney, G. F. A., Dublin, Ga.

Mr. W. E. Allen, T. A., Bristol, Va.

Gentlemen:

Your respective lines, as well as the Seaboard Air Line Railway and the Southern Railway, are shown as parties establishing by separate written declarations, Western Lumber Tariff No. 1. We enclose herewith a copy of a mimeograph communication of this date, addressed to the members of the Conference Committee, that is self explanatory. If it is your intention to file separate written declaration advancing rates two cents per one hundred pounds, will you please wire me to that effect upon receipt of this communication, and also forward your separate written declaration by first mail. At any rate dating them not later than Feb. 12th.

Yours truly,
(Signed) S. F. PARROTT.

M.

Enclosure.

Nashville, Chattanooga & St. Louis Railway.

Nashville, Tenn., Feb. 12th, 1903.

Rate Adjustment—Rates on Pine Lumber, Southeastern Points to Buffalo-Pittsburg Zone Points.

Mr. E. A. Niel, G. F. A., Atlanta, Ga.

Mr. W. E. Estes, G. F. A., Savannah, Ga.

Mr. A. G. Jackson, G. F. A., Augusta, Ga.

Mr. J. M. Cutler, G. F. A., Macon, Ga.

Mr. E. F. Williamson, T M., Macon, Ga.

Mr. Jas. Menzies, G. F. A., Savannah, Ga.

Mr. E. K. Bryan, Jr., G. F. A., Bainbridge, Ga.

Dear Sir:

With respect to the adjustment of rates on pine lumber to points in the so-called Buffalo-Pittsburg Zone, I suggest consideration of the advisability of adopting the combination basis. In my judgment we are not only losing revenue, but are possibly subject to some criticism for carrying combination basis to the territory of the Erie-Buffalo-Pittsburg-Parkersburg Line, while to points in the so-called Buffalo-Pittsburg Zone, we apply only non-combination basis.

If competing territory on and west of the Semva-Sefa border line can be brought under the same conditions, would you not be willing to apply combination basis from the Southeast to points in the Buffalo-Pittsburg Zone.

Please favor me with early advice.

Yours truly,

(Signed) G. R. KNOX,
Genl. Frt. Agent.

Nashville, Chattanooga & St. Louis Railway.

Atlanta, Ga., Feb. 12th, 1903.

Rate Adjustment—Pine Lumber, Southeastern Points to Ohio River Crossings, St. Louis and East St. Louis.

Mr. W. E. Estes, G. F. A., Savannah, Ga.
Mr. J. M. Cutler, Macon, Ga.
Mr. Jas. Menzies, G. F. A., Savannah, Ga.
Mr. A. G. Jackson, G. F. A., Augusta, Ga.
Mr. R. E. Lutz, T. M., Montgomery, Ala.
Mr. R. A. Brand, G. F. A., Wilmington, N. C.
Mr. Earnest Williams, G. F. A., Augusta, Ga.

Dear Sir:

Referring to my letter of the 3rd inst., on the above subject, I beg to direct particular attention to the fact that the announcement made by the lines at St. Louis, on Jan. 30th, 1903, as well as the discussion related to "Rates on lumber from producing points in Texas, Louisiana, Arkansas, Mississippi, Alabama and Southeastern points, to St. Louis, East St. Louis and all Mississippi and Ohio River Crossings between St. Louis and Cincinnati."

No advance in the rates to Nashville, West Nashville, Memphis, West Tennessee or Kentucky points was discussed or contemplated and none of the western lines have announced advances to these points. If your advice to Chairman Parrott, contemplates advancing the rates to Memphis, Nashville, West Nashville, Kentucky and Tennessee Junction Points, will you not kindly advise him to eliminate these points and confine the two cent advance to Ohio River Crossings, Cincinnati to Cairo, inclusive, Belmont, Columbus, Birds Point, Hickman, St. Louis and East St. Louis, as the lines in Mississippi Valley Territory, Louisiana, Arkansas and Texas will confine their advices to the Ohio and Mississippi River Crossings named.

It is important that no action be taken to discriminate against the Southeast in favor of Arkansas, Louisiana or Mississippi, in the matter of marketing Southeastern Pine Lumber at Memphis, Nashville, West Nashville, Kentucky and West Tennessee Junctions.

Yours truly,
(Signed) GEO. R. KNOX,
Genl. Freight Agent.

etc

77 ANSWER OF S. F. PARROTT, CHAIRMAN, &c.

In the Fifth Circuit Court of the United States, for the Southern District of Georgia, Western Division, At Macon.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway, et al.

Bill for Injunction and Relief.

Amendment.

The separate answer of S. F. Parrott, as chairman of the Southeastern Freight Association, to the amendment to the original bill of complaint in the above stated case.

This defendant, S. F. Parrott, as chairman of the Southeastern Freight Association, now and at all times hereafter reserving unto himself and every and all right of demurrer or exception thereto, and by protestation to the many errors and impefections therein, makes this, his answer to said amendment to said original bill, and for answer thereto says:

1. This defendant herewith exhibits as his answer to the first paragraph of said amendment, to-wit:

"1. Of and from the defendant, Southeastern Freight Association and S. F. Parrott, as chairman thereof, they pray production of the following books, papers and documents:

"1. The originals or verified copies of the constitution, by-laws, agreements, contracts, rules and regulations showing the nature and purposes of the organization, and its methods of conducting business."

A copy of the articles of association of the Southeastern Freight Association, which said copy this respondent avers is a true and complete copy of the articles of association of the Southeastern Freight Association, the original of which is now in his possession, as the chairman of the said Southeastern Freight Association, and which were in effect at the date when said amended bill for discovery was served upon this respondent; and this respondent now avers that, at that time

78 there were not any other articles of association of the said Southeastern Freight Association, except those herein specifically set forth as answer to this paragraph of said amended bill. And this respondent, further

answering, says that there have not been any other articles of association of the said Southeastern Freight Association in existence or of effect since the thirteenth day of August, 1902, and up to the time of the service of said amended bill; and this respondent, further answering, says, that since the thirteenth day of August, 1902, and since the date of service of said amendment on this respondent, the single and only change which has been made in said articles of association of the Southeastern Freight Association has been that same has been made further effective from May 1st, 1903, to April 30th, 1904; and this respondent further answering said first paragraph of said amended bill, says that, in answer thereto, he herewith submits a copy of the method of procedure for the consideration of subjects by the conference committee, and a copy of the rules of procedure for conventions composed of representatives of the Southeastern Mississippi Valley and Southeastern Freight Associations, which this respondent answers and avers contains and shows all of the rules, in addition to the rules contained in the articles of association for the regulation and method of conducting the business of the said Southeastern Freight Association, and that there are no other constitutions, by-laws, agreements, contracts, rules and regulations, showing the nature and purpose of the organization and its method of conducting business than are contained and set forth in said articles of association of the Southeastern Freight Association and in the method of procedure for the consideration of subjects by the conference committee, and which are herewith submitted and made part of this answer to said paragraph 1 of said amended bill; and further answering said paragraph 1 of said amended bill, this respondent hereto attaches said true and complete copy of said articles of association of the Southeastern Freight Association, and marks the same "Exhibit 1;" and
79 likewise attaches said copy of said methods of procedure for the consideration of subjects by the conference committee and a copy of the rules of procedure for conventions composed of representatives of the Southeastern Mississippi Valley and Southeastern Freight Associations, and marks the same "Exhibit 2," and verifies the same by his corporal oath to this answer to said amendment; and this respondent submits this as his full, complete and true answer to said paragraph 1 of said amended bill of complaint.

In answer to the said second paragraph of said amended bill of complaint, which is as follows:

"(2) The original declaration or declarations filed by the railway companies, or either of them, declaring or providing for putting into effect the increased rate on yellow pine lumber, which it was proposed to put into effect April 15th, 1903, as alleged in the original bill in this cause; and also all circulars, letters and other communications received by it from the defendant railway companies, or either or any of them, or other members of the Southeastern Freight Association, relating to the subject of such increased rates."

This defendant, answering, herewith exhibits as his answer thereto and attaches hereto, as exhibits and as a part of this answer, the following original declarations filed separately by said railway companies, declaring or providing for putting into effect the increased freight rate on yellow pine lumber which it was proposed to put into effect April 15th, 1903, to-wit:

The declaration of the Atlanta & West Point Railway and the Western Railway of Alabama, dated March 19th, 1903, and hereto attaches as a part of this answer, and marked "Exhibit 3."

Also, the declaration of the Atlantic Coast Line Railroad Company, dated March 5, 1903, March 25, 1903, April 3, 1903, and April 8, 1903, hereto attached as a part of this answer, and marked "Exhibit 4."

Also, the declaration of the Central of Georgia Railway Company, dated March 30, 1903, April 1, 1903, and April 4, 1903, hereto attached as a part of this answer, and marked "Exhibit 5."

Also, the declaration of the Georgia Railroad, dated March 24, 1903, hereto attached as a part of this answer, and marked "Exhibit 6."

80 Also, the declaration of the Georgia, Florida & Alabama Railway Company, dated April 9th, 1903, hereto attached as a part of this answer, and marked "Exhibit 7."

Also, the declaration of the Georgia Southern & Florida Railway Company, dated April 3rd, 1903, hereto attached as a part of this answer, and marked "Exhibit 8."

Also, the declaration of the Macon & Birmingham Railway Company, dated April 6, 1903, hereto attached as a part of this answer, and marked "Exhibit 9."

Also, the declaration of the Nashville, Chattanooga & St. Louis Railway, dated March 6, 1903, March 7, 1903, March 7, 1903, and March 30th, 1903, hereto attached as a part of this answer, and marked "Exhibit 10."

Also, the declaration of the Seaboard Air Line Railway, dated March 9, 1903, March 21, 1903, and April 1, 1903, hereto attached as a part of this answer and marked "Exhibit 11."

Also, the declaration of the Southern Railway Company, dated March 21, 1903, hereto attached as a part of this answer and marked "Exhibit 12."

And this respondent, in further answer to said paragraph, herewith exhibits all circulars, letters and other communications received by him from the different companies, or either or any of them, or other members of the Southeastern Freight Association, relating to the subject of such increased rates, and in further answer thereto, attaches such circulars, letters and other communications as exhibits hereto, as follows, to-wit:

A letter from the Atlanta & West Point Railroad Company and the Western Railway of Alabama, dated February 8, 1903; also a letter dated February 14, 1903; also a letter dated February 25, 1903; also a telegram dated February 26, 1903, hereto attached as a part of this answer and marked "Exhibit 13."

Also, a letter from the Atlantic Coast Line Company, dated February 21, 1903; a letter dated February
81 24, 1903; a telegram dated March 3, 1903; also a letter dated March 3, 1903; also a letter dated March 6, 1903; also a letter dated April 5, 1903; hereto attached as a part of this answer and marked "Exhibit 14."

Also, a letter from the Central of Georgia Railway Company dated February 14, 1903; also a tariff circular dated February 25, 1903; also a letter dated April 8, 1903; also a letter dated April 18, 1903; also a letter dated April 19, 1903, hereto attached as a part of this answer and marked "Exhibit 15."

Also, a letter from the Georgia Railroad, dated February 13, 1903; also a letter dated February 16, 1903; also a telegram dated February 26, 1903; also a letter dated February 27, 1903; also a telegram dated February 27, 1903, hereto attached as a part of this answer and marked "Exhibit 16."

Also, a letter from the Georgia Southern & Florida Railway Company, dated February 13, 1903; also a telegram dated February 26, 1903, hereto attached as a part of this answer and marked "Exhibit 17."

Also, a letter from the Louisville & Nashville Railroad Co., dated February 26, 1903; also a telegram dated March 4, 1903; also a letter dated March 13, 1903; also a tariff cir-

cular dated April 15, 1903; hereto attached as a part of this answer and marked "Exhibit 18."

Also, a letter from the Macon & Birmingham Railway Company, dated February 12, 1903; hereto attached as a part of this answer and marked "Exhibit 19."

Also, a letter from the Nashville, Chattanooga & St. Louis Ry., dated February 12, 1903; also a letter dated February 14, 1903; also a letter dated February 14, 1903; also a telegram dated March 8, 1903; also a letter dated March 9, 1903; hereto attached as a part of this answer and marked "Exhibit 20." Also, a letter from the Seaboard Air Line Ry., dated Feb. 4, 1903. Also, a telegram dated April 20, 1903, hereto attached as a part of this answer and marked "Exhibit 21."

82 Also, a letter from the Southern Railway Company, dated February 4, 1903; also a letter dated February 25, 1903; also a letter dated March 6, 1903; hereto attached as a part of this answer and marked "Exhibit 22."

And this respondent submits this as his full, complete and true answer to said paragraph 2 of said amended bill of complaint.

In answer to the third paragraph of said amended bill of complaint, which is as follows, to-wit:

"(3) The official circular promulgated by the association, giving notice that said increased rate on yellow pine lumber would be put into effect, together with all communications received from the defendants, or either of them, relating to this subject."

This respondent, answering, says that no official circular was promulgated by said Southeastern Freight Association, giving notice that said increased rate on yellow pine lumber would be put into effect, and that no circular was either promulgated or published by said Southeastern Freight Association, giving notice that said increased rate on yellow pine lumber would be put into effect; nor were any such rates either promulgated or published by said Southeastern Freight Association, or by this respondent as chairman thereof. And this respondent, further answering said paragraph 3, says that he has not received any communications from the said defendants, or either of them, relating to said alleged official circular, and so he cannot exhibit the alleged communications referred to; but this respondent, further answering, says that, in his answer to the second paragraph of said amended bill of complaint, he has discovered and exhibited all communications

received from said defendants, or either of them, concerning or relating to said increased freight rate on yellow pine lumber, which it was proposed to put into effect on April 15, 1903. And this respondent submits this as his full, complete and true answer to said paragraph 3 of said amended bill of complaint.

In answer to the fourth paragraph of said amended bill of complaint, which is as follows:

83 "(4) A list of the members composing the Southeastern Freight Association."

This respondent, answering, says that he herewith exhibits a list of the members composing the Southeastern Freight Association, which is a true and complete list of the members of said association, and attaches the said list hereto, as a part of this answer, marked "Exhibit 23." And this respondent submits this as his full, complete and true answer to said paragraph 4 of said amended bill of complaint.

In answer to the fifth paragraph of said amended bill of complaint, which is as follows:

"(5) The minutes of the several meetings of the Southeastern Freight Association, at which the proposed increase in rates on yellow pine lumber or any modification or withdrawal thereof, was considered and discussed, particularly the minutes of the meeting held in the city of Atlanta on the day of February, 1903, and of the meeting held in the City of Atlanta on the 9th day of April, 1903."

This respondent, answering, says that, on the 11th day of February, 1903, there was a meeting of the Southeastern Freight Association held in the City of Atlanta, at which the proposed increase in rates on yellow pine lumber was considered and discussed; and respondent herewith exhibits a true and complete copy of the minutes of said meeting relating to and covering and including all matters and things done and discussed at said meeting, concerning the proposed increase in rates on yellow pine lumber, and attaches to this answer a true and complete copy of said minutes, as an exhibit thereto, marked "Exhibit 24." And this respondent further answering, says that Exhibit 24 contains a true and complete copy of the minutes of said meeting relating to the proposed increase in rates on yellow pine lumber; and this respondent, further answering said paragraph 5, says that there was no

84 other meeting of said Southeastern Freight Association held in the City of Atlanta during the month

of February, 1903, at which the proposed increase in rates on yellow pine lumber, or any modification or withdrawal thereof, was considered and discussed; and this respondent, further answering said paragraph 5, says that during the month of February, 1903, and on the 24th day of February, 1903, there was a meeting held in the City of Atlanta, at which said proposed increase of rates on yellow pine lumber was discussed, but that said meeting was not a meeting of the Southeastern Freight Association, but was a conference inaugurated at the instance and request of the Georgia Saw Mill Association, between the representatives of certain railway lines, some of them being members of the Southeastern Freight Association, and others not being members of said association, and H. H. Tift and others, members of said Georgia Saw Mill Association, and other saw mill men who were not members of said Georgia Saw Mill Association, at which conference there was a discussion of the proposed increase in lumber rates, which was conducted by the saw mill men present, and that no action was taken by said conference, and that no minutes of said conference were kept on behalf of the railroad representatives, so far as this respondent knows; certainly none were kept by the Southeastern Freight Association, or on its behalf. In addition to the above minutes of February 11, 1903, there is also a recommendation appearing on the minutes of said association, under date of March 10, 1903, with the action taken thereon, and this respondent attaches thereto a true and complete copy thereof, as Exhibit 25; and this respondent further answering, says that said Exhibit 25 contains a true and complete copy of said minutes relating to the proposed increase in rates on yellow pine lumber. And this respondent, further answering said paragraph 5, says that there was no meeting of the Southeastern Freight Association held on the 9th day of April, 1903, in the City of Atlanta, and that there are no minutes of any such meeting; that on said date there was held another con-

85 ference of the same character as that held on February 24, 1903, and between the same saw mill men and representatives of [of] railroad lines, some of them members of the Southeastern Freight Association and others not members of the said association, at which said meeting the question of the increase of rates on lumber to Ohio river points and beyond was discussed by said saw mill men and said railroad representatives, but no action was taken by said conference, and no minutes thereof were kept, so far as respondent knows, by or on behalf of said railroad representatives;

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certain it is that none were kept by said Southeastern Freight Association, or on its behalf. And this respondent submits this as his full, complete and true answer to said paragraph 5 of said amended bill of complaint.

Now, having fully answered said amendment to said bill of complaint, said respondent prays to be hence dismissed with his costs in this behalf sustained.

(Signed) MAYSON, HILL & McGILL,
Solicitors for the Respondent, the Southeastern Freight Association and S. F. Parrott, Chmn.

86 United States of America.

Northern District of Georgia,
County of Fulton.

Personally appeared Samuel F. Parrott, who being duly sworn, deposes and says that he is the person named and set forth as making the foregoing answer, and is the S. F. Parrott described and named as the chairman of the Southeastern Freight Association, and that the facts stated in said answer are true of his own knowledge, except where stated upon information and belief, and, where so stated, he believes the same to be true. And deponent further states that the exhibits attached to said answer numbered one and two are true and complete copies of the articles of association of the Southeastern Freight Association, as therein set forth, and of the method and procedure for the consideration of subjects by the conference committee and the rules of procedure for conventions of representatives of the Southeastern Mississippi Valley Association and the Southeastern Freight Association, as therein set forth, and that the exhibits attached to said answer, numbered 3 to 32 inclusive, are the true, original papers stated to be such in said answer and exhibits, and that Exhibit 23 is a true list of the members composing the Southeastern Freight Association, and that the exhibits numbered 24 and 25 are true and complete copies of the minutes of the said Southeastern Freight Association on February 11th, 1903, and March 10, 1903, as therein said exhibits stated, relating to the subjects of the proposed increase of rates on yellow pine lumber.

This May 11th, 1903.

(Signed) SAMUEL F. PARROTT.

JULIUS G. EDWARDS, Notary Public.
Fulton County, Georgia.

POSSIBLE BLURRED PAGES

Filed May 12, 1903. CECIL MORGAN,
Deputy Clerk.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division, at Macon.

H. H. Tift, et al.,
vs. In Equity.
Southern Ry., et al.

Bill for Injunction and Relief.

United States of America,
Northern District of Georgia,
County of Fulton.

Personally appeared before me the undersigned, a notary public and officer authorized to administer oaths, S. F. Parrott, and, in response to the order of the Court of date April 21, 1903, in the above entitled case, upon the petition of complainants therein, praying for such order, requiring and directing this deponent as chairman of the Southeastern Freight Association, to produce in Court on the hearing of said cause for injunction in said cause at the City of Macon, at 10 o'clock A. M., April 24, 1903, and from time to time thereafter until said cause shall be finally disposed of, the books, papers and documents in said petition set forth and described, as answer to such order, respectfully shows that this deponent has attached to his answer to the amendment to the bill of complaint in the above stated case, verified copies of the constitution, by-laws, agreements, contracts, rules and regulations showing the nature and purposes of the organization, and its method of conducting business; also, all original declarations, letters, circulars and other communications called for by paragraph 2 of said petition; that this respondent has no official circular promulgated by said association, giving notice that said increased rate on pine lumber would be put into effect, nor any communications received from said defendants, or either of them, relating to that subject, nor any other communications, except the original communications attached to his answer to the amendment to said bill of complaint, received from the said defendants, or either of

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them, relating to the increased rate on yellow pine lumber which it was proposed to put into effect on April 15, 1903. This deponent avers that he has attached to said answer to said amendment to said bill of complaint the verified list of the members composing the Southeastern Freight Association, and a verified copy of the minutes of the meeting of said Southeastern Freight Association at which the said proposed increase in rates on yellow pine lumber, or any modification or withdrawal thereof, was considered or discussed, including the minutes of the meeting held in the City of Atlanta on the 11th day of February, 1903, and March 10th, 1903; that there is no other meeting of said Southeastern Freight Association relating to said subject, and particularly no other minutes of any meeting held on any other day in February, nor any minutes of any meeting held on the 9th day of April, 1903, either in the City of Atlanta or elsewhere.

This deponent produces to the Court the said several papers, Exhibits Nos. 1 to 25, inclusive, attached to his said answer to said amendment to said bill of complaint, as his response to the order of this honorable Court, dated April 21, 1903, hereinbefore first alluded to, and prays that same may be taken, together with this affidavit, as his response to said order.

(Signed) S. F. PARROTT.

Sworn to and subscribed to before me, this 11 day of May, 1903.

JULIUS G. EDWARDS, Notary Public,
Fulton County, Georgia.

EXHIBIT 1.

Articles of Association of the Southeastern Freight Association.

For the purposes set forth in the following articles, the companies subscribing hereto for the Southeastern Freight Association:

Article 1.

Section 1. An executive board is hereby created, composed of either the president, vice president, general manager or other officer of each member of the association, as designated annually by such member; but each officer thus designated may appoint any other officer or agent of his company, as

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proxy, with power to represent him at any meeting of said board.

Sec. 2. The executive board shall elect its own chairman. Said board shall also elect the chairman of the association, and shall fix his term of service and salary. All expenses of the association shall be subject to the review and approval of the executive board, or of a committee to be appointed by said board.

Sec. 3. The executive board shall meet upon the written request of two or more members thereof, or upon the call of its chairman.

Sec. 4. A majority of the members of the executive board, present or represented by proxy, shall constitute a quorum.

Sec. 5. It shall require the unanimous action of those present, in person or by proxy, to adopt any motion or resolution that may be made before the executive board.

Sec. 6. The executive board shall have the power to reconsider any subject that may have been considered by the conference committee hereinafter provided for.

Article II.

Sec. 1. Each member of the executive board shall appoint a traffic officer of his company, and such traffic officers thus appointed shall constitute a conference committee. Any traffic officer appointed a member of the conference committee may appoint any other officer or agent of his company as proxy, with power to represent him at any meeting of said committee. A majority of the members of the conference committee, present or represented by proxy, shall constitute a quorum.

Sec. 2. Any member of this association proposing to make any change in its rates, rules or regulations, will suggest the same to said conference committee for consideration and interchange of views before such change shall take effect; but it is distinctly understood that each member reserves to itself at all times the right to take separate and indepenent [independent] action on each and every subject, whether suggested to said conference committee or not.

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Article III.

Sec. 1. Upon complaint to the chairman of the association that illegal devices have been resorted to, whether by secret rebates, or drawbacks, or payment of commissions, or underbilling weights, or otherwise, he shall make an investigation thereof, and he or his representative shall be given access to the records of all members of this association, so far as the same may pertain to the traffic with reference to which such complaint may have been made.

Article IV.

Sec. 1. The association expenses shall be apportioned fairly between the members by the executive board and upon the basis so fixed by the board, the chairman of the association shall have authority to collect the same.

Article V.

Sec. 1. Any member retiring from this association before the expiration of the time herein fixed, except by unanimous consent, [shall] not be released from its obligations to contribute its share of the association expenses, as the same may be fixed by the executive board.

Article VI.

Sec. 1. It shall be the duty of the chairman to preside at all meetings of the conference committee; to keep the records of the association; to receive from each member of the association copies of tariffs or rates established by said member; to compile, print and distribute such tariffs or rates in conformity with the interstate commerce act and other laws; to formulate [and] distribute such statistical information as may be called for by the conference committee or by the executive board, any expense incurred in collecting such information to be apportioned among the interested members by the chairman of the association. Each member will furnish such reports of freight traffic and other statistical data, as may be called for by the chairman of the association. The chairman shall also receive and list for discussion subjects coming before the conference committee, conduct all correspondence that may be necessary and communicate such information as to the records of the association as may be requested by members and others interested.

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Sec. 2. Each member shall, at the time of issue, file with the chairman of the association copies of all tariffs or rates that may be issued by such member and in which any other member may be interested.

Article VII.

Sec. 1. Nothing herein contained shall be so construed as to confer upon a majority, or any number of members of this association, the power or authority to make rates or tariffs upon the line of any other member of this association, or to make joint rates or tariffs for any other member. Nothing herein contained shall be so construed as to confer upon the executive board, or the conference committee, or the chairman of the association, or the chairman of the executive board, or upon any other committee or officer of this association, the power or authority to make rates or tariffs upon the line of any member of this association, or to make joint rates or tariffs for any member of this association; it being distinctly understood that each member of this association expressly reserves to itself the exclusive power to make rates and tariffs on its own line, and to itself and its connections the exclusive power to make joint rates and tariffs, free from the dictation or control of any other member or members.

Article VIII.

Sec. 1. The articles of this association shall relate to the territory lying south of the Potomac river to the Virginia West Virginia State line, then via said line to Bristol, Tenn., through and including Middlesboro, Ky., Harriman Junction and Jellico, Tenn.; to and including Chattanooga, Tenn., and on south and east of a line from Chattanooga, Tenn., via. the Alabama Great Southern Railroad to Birmingham, Ala.; thence via Southern Railway to and including Selma, Ala.; thence via Western Railway of Alabama to and including Montgomery, Ala.; thence via the Atlantic Coast Line Railroad through Valdosta, Ga.; Jasper, Live Oak and Lake City, Fla., to Jacksonville, Fla., including points on the line from Montgomery to Jacksonville; thence via the South Atlantic seaboard to the Potomac river. Said articles shall relate to the rail lines and steamship lines which are now, or may hereafter become, members of this association.

Sec. 2. Said articles shall relate to traffic having origin or destination within the territory above defined, in which

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two or more members of this association may be interested, except that said articles shall not relate to traffic between any two points north of the Virginia-North Carolina State line; nor to traffic between points on the designated northern and Western boundary lines and points outside of the territory as above defined; nor to traffic from or through North Atlantic ports to South Atlantic ports, proper, or from South Atlantite ports, proper, to or through North Atlantic ports; nor to coke and bituminous coal.

Article IX.

Sec. 1. No change shall be made in the articles of association except by consent of each member of the association.

Article X.

Sec. 1. These articles of association shall become effective the 13th day of August, 1902, and continue in force until April 30th, 1903.

METHOD OF PROCEDURE FOR THE CONSIDERATION OF SUBJECTS BY THE CONFERENCE COMMITTEE.

1. The docket shall be closed ten days before each meeting of the conference committee.

2. Each member, in listing a subject, shall state as fully as possible the rates, rules and regulations to be discussed, and the basis upon which proposed rates are made. Said data shall be immediately distributed by the chairman to members, as information.

3. Subjects shall be assigned for recommendation, to sub-committees, the first member named of said sub-committee chairman thereof, and in the absence of the chairman, the successive members present to act as chairman. The sub-committee shall be responsible for the consideration of the subject, so far as the conference committee is concerned.

4. Any subject not considered at a meeting shall be stricken from the docket. The chairman of the association shall notify each sub-committee chairman of the subjects

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stricken because of non-consideration; copies of said list shall be sent to all members.

5. A member proposing to make any change in its rates, rules or regulations between meetings of the conference committee, will suggest the same to other members directly interested, and said member shall file, in writing, with the chairman of the association, a declaration or statement, setting forth in detail the rates or rules, and the effective date thereof, which said member and its connections propose to establish, and the chairman will compile and print such rates, rules or regulations, and will furnish all members with a copy thereof, and also a copy of said declaration or statement, and will docket the matter for discussion and consideration at the next meeting of the conference committee.

6. All matters subject for discussion by members of the conference committee shall be considered at regular meetings of said conference committee, and not by correspondence through the chairman's office.

This rule shall not be construed as restricting the right of any member to take action in accordance with Rule 5, or of section 2 of article II of articles of association.

7. The chairman shall have printed and distributed the minutes of the meetings of the conference committee; said minutes shall be record of final actions of general committee and sub-committees.

8. Immediately after each meeting the chairman shall make a compilation of the charges separately made by any member in its rates, rules and regulations, as contained in the statements or declarations that have been filed with him by the traffic representative of any member, and refer as his authority to said written statement or declaration. Each subject shall be numbered. The chairman shall have said compilation printed and promptly distributed, as information, to members and others interested.

9. The following order of procedure shall govern regular meetings:

First—Chairman's reports.

Second—Subjects listed for general discussion.

Third—Sub-committee work.

Fourth—Final discussion of sub-committee recommendations.

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RULES OF PROCEDURE FOR THE DISCUSSION AND CONSIDERATION OF SUBJECTS AT JOINT CONVENTIONS OF THE REPRESENTATIVES OF THE SOUTHEASTERN MISSISSIPPI VALLEY AND SOUHEASTERN FREIGHT ASSOCIATIONS.

That the joint sessions be held every other month (beginning with the month of November), on the third Tuesday.

That the first order of business of joint conferences be the selection of the place of next meeting, to be determined by a two-thirds vote of those present; and in the event of a failure to agree, if the meeting at which such failure to agree occurs is held in the territory of the S. E. M. V. Association, the next meeting shall be held in Atlanta, Ga.; and if the meeting at which such failure to agree occurs is held in the territory of the S. E. F. Association, the next meeting be held in Louisville, Ky.

Special joint sessions of the two organizations shall be called by the respective chairmen, upon the written request of three members of each association, the place of meeting to be a matter of agreement between said chairmen.

Method Under Which Inter-Territorial Subjects Shall Be Docketed.

1. Without interfering with the functions of either association, as now organized, and merely as a method of procedure in connection with the docketing of subjects for joint meetings "inter-territorial subjects are defined as:

(a) Those relating to rates, rules and regulations applying from or through the territory of one association, into or through the territory of the other association.

(b) Those relating to rates, rules and regulations applying between points located on the borders of the two associations.

(c) Those relating to rates, rules or regulations applying from, to or through the territory of one association, which affects rates, rules or regulations applying from, to or through the territory of the other association, when suggested for consideration by a line in the territory so affected.

2. (a) A line desiring to have considered at a joint meeting any change, addition or amendment to such rates, rules or regulations will so advise the chairman of the association to which it belongs, and will, so far as practicable, advise said chairman of the rates, rules and regulations to be suggested, and the reasons therefor; if unable to give this information

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immediately, it will communicate same to said chariman in advance of the next joint meeting, if practicable.

(b) Said chairman will docket the subject under the rules of the association of which he is chairman, exactly as though it were a question of rates, rules or regulations applying between points within the territory of said association, and furnish copies of docket advices to the other chairman and members of both associations.

(c) Upon receipt of a docket advice, as provided for in section B, the chairman of the association receiving it will proceed in the same manner as if the subject had been listed by a member of the association of which he is chairman.

3. Dockets for joint meetings will be prepared by the chairman of the Southeastern Freight Association, which shall brief all matters to be considered, and also indicate the subject numbers, as they appear in the records of each association. Such dockets shall be sent to all members of both associations, and to the chairman of the Southeastern Mississippi Valley Association, eight days prior to the joint meetings.

4. Records of joint meetings shall be kept by the secretaries of the two associations. Such records shall be compared, after each joint meeting, and be incorporated in the permanent records of each association.

Amendment to Method Under Which Inter-Territorial Subjects Shall be Docketed, Adopted to be Tried As an Experiment at Third Joint Convention, in March, 1903, and Joint Convention in May, 1903, Necessary Changes and Corrections, If Any, to be Made at the Fourth Joint Convention in May, 1903.

(a) To facilitate the handling of work at joint conventions, the following standing committees shall be appointed annually at the January joint convention:

1. Committee on relations with Carolina lines, trunk lines and water lines, eleven members.

2. Committee on relations with Eastern and Western lines, eleven members.

3. Rules and regulations committee, ten members.

4. General rates committee, eleven members.

5. Committee on forest and mine products, lime, cement, brick, sand, stone and furniture.

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6. Committee on grain and grain products, live stock and products, cotton seed and products.
7. Committee on textile fabrics, fruits and vegetables, fertilizers and fertilizer material.

(Note.)

The following committees are suggested:

Committee No. 1:

Southern Ry.,
Seaboard Air Line Ry.,
Atlantic Coast Line R. R.,
Norfolk & Western Ry.,
Clyde Line,
Old Dominion Steamship Co.,
Ocean Steamship Co.,
Nashville, Chattanooga & St. Louis Ry.,
Cincinnati, New Orleans & Texas Pacific Ry.,
Louisville & Nashville R. R.,
Illinois Central.

Committee No. 2:

Cincinnati, New Orleans & Texas Pacific Ry.,
Illinois Central R. R.,
Louisville & Nashville R. R.,
Mobile & Ohio R. R.,
Southern Ry.,
Frisco System,
New Orleans & Northeastern R. R.,
Central of Georgia Ry.,
Seaboard Air Line Ry.,
Nashville, Chattanooga & St. Louis Ry.,
Atlantic Coast Line R. R.

Committee No. 3:

Southern Ry.,
Central of Georgia Ry.,
Seaboard Air Line Ry.,
Atlantic Coast Line Ry.,
Merchants & Miners Transportation Co.,
Illinois Central R. R.,

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Committee No. 3 (Continued).
Frisco System,
Cincinnati, New Orleans & Texas Pacific Ry.,
Nashville, Chattanooga & St. Louis R. .,
Louisville & Nashville R. R.

Committee No. 4:
Southern Ry.,
Central of Georgia Ry.,
Seaboard Air Line Ry.,
Atlantic Coast Line R. R.,
Old Dominion Steamship Co.,
Illinois Central R. R.,
Mobile & Ohio R. R.,
Cincinnati, New Orleans & Texas Pacific Ry.,
Nashville, Chattanooga & St. Louis Ry.,
Louisville & Nashville R. R.
Merchants & Miners Transportation Co.

Committee No. 5:
Louisville & Nashville R. R.,
Southern Ry.,
Seaboard Air Line Ry.,
Atlantic Coast Line R. R.,
Central of Georgia Ry.,
Nashville, Chattanooga & St. Louis Ry.,
Georgia R. R.,
Illinois Central R. R.,
Georgia Southern & Florida Ry.,
Mobile & Ohio R. R.

Committee No. 6:
Southern Ry.,
Mobile & Ohio R. R.,
Cincinnati, New Orleans & Texas Pacific Ry.,
Louisville & Nashville R. R.,
Illinois Central R. R.,
Nashville, Chattanooga & St. Louis Ry.,
Seaboard Air Line,
Atlantic Coast Line R. R.,
Central of Georgia Ry.,
Georgia R. R.

Committee No. 7:
Western Railway of Alabama,

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Atlantic Coast Line R. R.,
Seaboard Air Line Ry.,
Central of Georgia Ry.
Georgia Southern & Florida Ry.,
Southern Ry.,
Nashville, Chattanooga & St. Louis Ry.,
Mobile & Ohio R. R.,
Illinois Central R. R.,
Louisville & Nashville R. R.

(b) All subjects booked for consideration at joint conventions shall be referred to the several committees above named, except questions for general discussion.

(c) The dockets for joint conventions prepared by the chairman of the Southeastern Freight Association shall show the standing committees to which the different subjects will be referred, and shall also show the subjects intended for general discussion.

(d) The standing committees above enumerated shall be composed of individuals and not of lines.

(e) The files of the chairman pertaining to the different subjects referred to the standing committees shall be available for the use of such committees.

(f) Each standing committee shall select its own chairman from among its members and a secretary for each standing committee shall be appointed by the chairman of the two associations.

(g) The representatives of any line not a member of any particular standing committee shall be privileged to attend the meetings of such committee for the purpose of participating in the discussion of any subject in which he may be interested.

(h) The chairman of each standing committee shall announce when the meeting of his committee will be held and the individual members of such committee will be expected to attend without further announcement.

A majority of the members of each standing committee will constitute a quorum thereof, and the absence of any member shall not prevent consideration of any subject except by consent of the committee itself.

(i) A majority of members present at regularly constituted meetings of the standing committees can submit a recommendation to the joint convention, and objections to such recommendations, if any, must be made during sessions of the joint convention.

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Augusta, Ga., March 24, 1903.
29933.

Rates on Yellow Pine Lumber From the South to Western Points.

Mr. S. F. Parrott,
Chairman, Atlanta, Ga.
Dear Sir:

The Georgia Railroad announces that effective April 15, 1903, an advance of 2 cents per hundred pounds will be made in the rates on yellow pine lumber carloads from producing points in the Southeast to St. Louis, East St. Louis and all Mississippi river crossings between Memphis and St. Louis and all Ohio river crossings Cairo to Cincinnati both inclusive.

Further, that the rates on pine lumber to all points north of the Ohio river and East of the Mississippi river and west of the termini of the trunk lines will be made on lowest combination.

Also that a corresponding advance of 2 cents per 100 lbs. will be made to Nashville, Tenn., Memphis, Tenn., and to West Tennessee and Kentucky junction points provided not in excess of the continuous local scale of any line.

Also, that an advance of 2 cents per 100 lbs. will be made to Chattanooga provided it does not exceed the continuous local scale of any line.

Also, an advance of 2 cents per 100 lbs. effective April 15, 1903, will be made in the rates on yellow pine lumber, carloads, from points in the Southeast to the Buffalo-Pittsburg zone, and such advances as are necessary, will be made in the basing rates, in order to accomplish this result.

This amends my declaration of February 16th.

Yours truly, A. G. JACKSON, GFA.

W

Advance in Rates on Lumber to the West.

Macon, Ga., April 3, 1903.
8462.

Mr. S. F. Parrott,
Chairman, Atlanta, Ga.
Dear Sir:

Please publish for the G. S. & F. Ry. an advance of 2 cents per hundred lbs. in the present rates on lumber from our

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stations and tributary lines to Chattanooga, Kentucky junction points, Ohio and Mississippi river points and to points north and west on basis of lowest combination.

Yours truly,

(Not signed)
General Freight Agt.

hls

Rates on Lumber From Southern Points to Ohio River Crossings, St. Louis and East St. Louis.

Portsmouth, Va., Mar. 9, 1903.
File 24099-E.

Mr. S. F. Parrott,
Chairman, Atlanta, Ga.

Dear Sir:

Please arrange to publish for account of the Seaboard Air Line Railway and its connections advance of two cents per hundred pounds in rates on lumber carried in your Western Lumber Tariff No. 1 to Ohio river crossings, Cairo to Cincinnati inclusive; also to St. Louis, East St. Louis and Belmont Group. Rates to points beyond Ohio river to be made on lowest combination. Advanced rates to be made effective April 15, 1903. Yours truly,

CHAS. R. CAPPS.
General Frt. Agt.
h-w

Exhibit No. 2.

Western Union Telegraph Company.

Received at 307N C. Mk 27 DH.

Savannah, Ga., March 30th, 1903.

D. M. Goodwyn,
Louisville, Ky.

File B. Yours twenty-sixth. I understand rates from Southeastern points to Buffalo-Pittsburg via Cinti. will be arranged two cents per one hundred pounds April fifteenth.

9:18 p. m. J. MENZIES.

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Exhibit No. 3.

Atlantic Coast Line Railroad Company.

April 6th, 1903.

W. E. Estes, City.

File B. Will advance our rates to Buffalo-Pittsburg Territory via Virginia Cities, two cents per hundred pounds, effective April fifteenth.

Local.

JAMES MENZIES.

Copies E. A. Niel, D. M. Goodwyn, J. M. Cutler.

Exhibit No. 4.

Western Union Telegraph Company.

Received at 291N C. Mk 42 DH.

Savannah, Ga., February 7, 1903.

D. M. Goodwyn,
Louisville, Ky.

Your fog. Do you understand rates can be advanced to Ohio and Miss. points to points nort' thereof if Chattanooga rates are not advanced? I do not understand that points to the Buffalo-Pittsburg group would be advanced without advancing Chattanooga.

8:16 p. m.

W. E. Estes.

Exhibit No. 5.

Western Union Telegraph Company.

Received at 27 A N RI F 55 DH.

Senora, Ga., Feb. 26th, 1903.

W. J. Dickinson,
Louisville, Ky.

Your telegram 26th regarding lumber rates to the West. We hesitate to attempt to operate one rate on new business and lower rate on old contract, thinking legality such action doubtful, hope therefore you will determine to make ad-

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vanced rates effective on all shipments not later than April first, answer Piedmont Hotel, Atlanta.

11:21 a. m. W. A. WINBURN.

Exhibit No. 6.

Western Union Telegraph Company.

Received at 183 N. H. J. 55 D. H.

Savannah, Ga., March 28th, 1903.

D. M. Goodwyn,
Louisville, Ky.

Am not yet prepared to advise definitely concerning advance to Buffalo-Pittsburg points awaiting information from lines operating through Virginia cities, am prepared to advance rate to Chattanooga which would protect Cincinnati combination via that route, think it doubtful that Virginia Cities line can make sufficient advance to protect Ohio river combination to all points.

4:23 p. m. W. E. ESTES.

Exhibit No. 7.

Western Union Telegraph Company.

Received at 144 N. MF. J. 17 DH.

Savannah, Ga., April 1st, 1903.

D. M. Goodwyn,
Louisville, Ky.

Will advance our lumber rates to Buffalo-Pittsburg territory two cents per hundred pounds, effective April fifteenth.

1:51 p. m. W. E. ESTES.

Exhibit No. 8.

Queen & Crescent Route.

Alabama Great Southern Railroad.

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Telegram.

Received by C. 10:15 P. M.

Savannah, Ga., 4/7/1903.

D. M. Goodwyn,
Louisville, Ky.

Desk B. Will lumber rates from your line to Mfs. and Nashville, advance effective April fifteenth.

W. E. ESTES.

Exhibit No. 9.

Savannah, Ga., 4/9/03.

D. M. Goodwyn,
Louisville, Ky.

Desk B. Mt. Vernon car works write that L&N M&O and IC. Railroads will advance their lumber rates only two cents to Mt. Vernon, Ills., April 15th and quote reference to my supplement No. 2 to pine lumber tariff B 8110. Our understanding was that Mt. Vernon would be made on actual combination dividing as made. See your wire fog. Feby. 23rd. Answer.

W. E. ESTES.

Exhibit No. 10.

Western Union Telegraph Company.

Received at 138N G K 74 Dh.

Savannah, Ga., April 15, 1903.

C. B. Compton,
Louisville, Ky.

I have received telegraphic notice from Ellis Wimbish and Ellis, Attorneys, that United States Judge Speer on yesterday granted an injunction against the advance in freight rates on yellow pine lumber to Western points effective today. This advice being confirmed by dispatches published in to-day's papers, on the strength of this information and advice of counsel we have issued telegraphic notice to our agents to suspend the operation of the advanced rates until further notice.

W. A. WINBURN.

3:05 p. m.

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Exhibit No. 11.

Western Union Telegraph Company.

Received at 90 An RI F 91 DH.

Macon, Ga., Feb. 21, 1903.

C. B. Compton,
Louisville, Ky.

Your wire twentieth regarding advance in lumber rates. This company has not refused to furnish cars for lumber to move to any territory designated by shippers, but has made every effort in this direction. We favor the protection of contracts made at rates in effect before notice of advance in rates was given, but we suggest that the preferable and simpler procedure would be to postpone the date of the advance to April or May first. Original Compton, copy Parrott, Dodge, Hudson, Poe, Steele, Powell, Winburn, Emerson, Cost, Smith, and Washburn.

4:23 p. m. JOHN M. CUTLER.

Exhibit N. 12.

Western Union Telegraph Company.

Received at 67 AN RI. F. 40DH.

Macon, Ga., Feb. 26th, 1903.

D. M. Goodwyn,
Louisville, Ky.

Referring to my declaration dated February thirteenth, covering advance in lumber rates two cents per hundred pounds and amend same making effective date April fifteenth, original Parrott, copy Niel, Biles, Estes, Jackson, Knox, Cameron, Lane, Lutz, Goodwyn, Miller, Capps, Menzies.

3:35 P. M. J. M. CUTLER.

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Exhibit No. 13.

Western Union Telegraph Company.

Received at 63AN RI. F. 19 DH.

Macon, Ga., Feb. 26th, 1903.

D. M. Goodwyn,
Louisville, Ky.

Please wire quickly if you concur in proposed postponement of advance in lumber rates until April fifteenth. This important.

3:30 P. M.

J. M. CUTLER.

Exhibit No. 14.

Western Union Telegraph Company.

Received at 114AN FW F 15 DH.

Macon, Ga., March 4th, 1903.

D. M. Goodwyn,
Louisville, Ky.

We have issued circular announcing postponement of advance in rates on lumber until April fifteenth.

6:08 P. M.

J. M. CUTLER.

Exhibit No. 15.

Western Union Telegraph Company.

Received at 73 AN HE F 25 DH. ans.

Macon, Ga., March 7th, 1903.

D. M. Goodwyn,
Louisville, Ky.

Your flo we have issued circular making advance in rates on lumber to western points effective April fifteenth, copy went to you on Feb. twenty-six.

4:42 P. M

J. M. CUTLER.

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Exhibit No. 16.

Western Union Telegraph Company.

Received at 104 AN NP ""KJ"" 45 D. H. 840PM.

Macon, Ga., April 2-3.

D. M. Goodwyn,
Louisville, Ky.

If meeting at Memphis on the seventh is called for further hearing on lumber rates this company will be represented. Please advise whether or not meeting will be held. Original Parrott, Copy Niel, Estes, Emerson, Capps, Jackson, Knox, Biles, Miller, Goodwyn, Cameron, Steele, Sevier, Washburn.

J. M. CUTLER. 8:40 P. M.

Exhibit No. 17.

Western Union Telegraph Company.

Received at 342 N C N 26 D H 10:37 P. M.

Nashville, Tenn., Feb. 11th, 1903.

D. M. Goodwyn,
Louisville, Ky.

File E see your circular N S fifteen sixty-three and advise me if it is not your purpose to advance the rates to Memphis and Nashville.

GEO. R. KNOX.

Exhibit No. 18.

Western Union Telegraph Company.

Received at 91 N J E 23 DH 140P.

Nashville, Tenn., Feb. 28, 1903.

Wm. J. Dickinson, Vice President,
Lou., Ky.

Concur with you that proposed advance in lumber rates should not take effect before April first or fifteenth, as may be agreed upon.

J. W. THOMAS, Prest.

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Exhibit No. 19.

Western Union Telegraph Company.

Received at N. SA. D. 90 Dh.

Nashville, Tenn., Apl. 16th, 1903.

80 C. B. Compton,
Louisville, Ky.

We have not as yet been favored with a transcript of the injunction promulgated by Judge Speer prohibiting the interested carriers from putting in effect certain advance in rates on yellow pine lumber effective April fifteenth, but in as much as practically all of our connections that originate this commodity have announced suspension of the advanced rates. This company has notified interstate commence commission that it indefinitely postpones the effective date of all of said advanced rates in effect on April fourteenth will be continued until further notice.

1134AM. H. F. SMITH.

Exhibit No. 20.

Western Union Telegraph Company.

Received at A236C P Do 23 DH.

Portsmouth, Va., 27 Feb., 1903.

W. J. Dickinson, V P L and N.,
Louisville, Ky.

Your telegram February twenty-fifth to Mr. Clarke owing to action of other lines we will make advance lumber rates effective April fifteenth. J. A. BARR.

405P.

Exhibit No. 21.

Western Union Telegraph Company.

Received at B21C Js Ho 37 DH.

Portsmouth, Va., Apr. 1, 1903.

D. M. Goodwyn,
Louisville, Ky.

Desk E. Yours first Feb. We will advance rates on yellow

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pine lumber from stations on our line to Buffalo-Pittsburg Zone two cents per hundred pounds effective April fifteenth both via Ohio river and Virginia Gateways.

614p. M. C. R. CAPPS.

Exhibit No. 22.

Western Union Telegraph Company.

Received at 145-AN OE OB 36 D. H.

Atlanta, Ga., Feb. 7th, 1903.

D. M. Goodwyn,
Louisville, Ky.

File B your wire fifth feb. It is the intention of the Sou Ry to advance rates from Southeastern common points such as Anniston, Birmingham and Montgomery, etc., in line with advances from local points. E. A. NIEL.

730 Pm.

Exhibit No. 23.

Southern Railway Company.

Office of General Freight Agent.

Atlanta, Ga., February 19th, 1903, wrj.

175099.

Mr. J. Menzies,
General Freight Agent,
Savannah, Ga.

Dear Sir:

Rate Adjustment: Advance in lumber rates to the West.

We have had from certain shippers on our line applications for protection after March first of present rates on lumber

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on uncompleted contracts. We have declined the applications and it will be our purpose to do so in all cases.

Yours truly,

E. A. NIEL,
General Freight Agent.

Cy to Messrs.
W. E. Estes,
D. M. Goodwyn,
Haiden Miller.

Exhibit No. 24.

Western Union Telegraph Company.

Received at 44 AN BT F 135 DH.

Washington, D. C., Feb. 21, 1903.

C. B. Compton,
Louisville, Ky.

Your wire twentieth rates on lumber O do not concur in your view that we should postpone advance in lumber rates until shippers can forward all lumber contracted for prior to notice of advance. The Southern Railway has not restricted the movement of its cars and has supplied cars to the extent of its ability and of this the mills have been fully advised from time to time. Therefore sales made beyond the capacity of the transportation companies to handle shows lack of judgment. Your recommendation carries with it an indefinite postponement of the advance in rates at a time when we need additional revenue. Do I understand your telegram to be definite notice that you will make no advance. Original Compton, Copies Parrott, Dodge, Hudson, Poe, Steele, Winburn, Emerson, Cost, Cutler, Smith and Washburn.

116PM.

T. C. POWELL.

Exhibit No. 25.

Western Union Telegraph Company.

Received at 22 H RO SN 67 DH.

Washington, D. C., Feb. 23, 1903.

C. B. Compton,
Louisville, Ky.

Your wire twenty-first advance in lumber rates. It is im-

BOOK TOO LARGE FOR FILMING

portant that you state definitely whether you put your advanced rates into effect on March first or whether said advance will be postponed. I do not understand that there is any practicable way of providing for contracts. Original Compton, copies Parrott, Dodge, Poe, Steele, Winburn, H. M. Emerson, Cost, Cutler, H. F. Smith, Washburn, Bowes, Niel.

1139AM. T. C. POWELL.

Exhibit No. 26.

Southern Railway Company.

Office of General Freight Agent.

Atlanta, Ga., Feb. 25th, 1903. wr.
W.

Mr. S. E. Parrott,
Chairman, Atlanta, Ga.
Dear Sir:

Rate Adjustment: Lumber Southeastern points to Ohio River crossings and beyond.

Please be advised that the Southern Railway has telegraphed the Interstate Commerce Commission to-day, withdrawing advanced rates on yellow pine lumber to Ohio and Mississippi River Crossings and beyond, effective March first, and that it will not be our purpose to make these advanced rates effective before April fifteenth.

Yours truly,

E. A. NIEL,
General Freight Agent.

25

Cy Messrs WEEStes
AGJackson
J. M. Cutler
CRCapps
RABrand
James Menzies
DMGoodwyn
GRKnox
GPBiles
FBBowes

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LSevier
TFSteele
HMiller
TSDavant
EKVoorhees
Lee McClung
TCPowell.

Exhibit No. 27.

Western Union Telegraph Company.

Received at A20IC P Do 134DH.

Washington, D. C., 26 Feb., 1903.

W. J. Dickinson, L and N,
Louisville, Ky.

Your wire. Assume you are advised of result of meeting held in Atlanta yesterday to consider advance in lumber rates. It has not heretofore been customary at any time when advances has been made in lumber rates to continue to charge on lumber which may have been sold prior to date of advance thereof and in effect prior to the date of such advance and I do not see anything in the situation now which makes it essential or incumbent upon any of the transportation lines interest to adopt a new policy with respect to latter however, as it developed at meeting yesterday that it was doubtful whether all lines would advance the rates before April fifteenth, this company gave notice of its intention to adopt advanced rates indicated by it effective April fifteenth.

J. M. CULP.

3p.

Exhibit No. 25.

Copy.

Telegram.

Washington, D. C., April 15th, '03.

W. D. Hines,
Louisville, Ky.

Referring to the injunction granted yesterday, fourteenth.

BOOK TOO LARGE FOR FILMING

by Judge Speer, United States Court, Macon, in behalf of Georgia Sawmill Asse., restraining certain transportation lines from putting into effect any increase in rates on yellow pine lumber from points in Georgia to Chattanooga or to points on Ohio River and beyond. As the Court will hear this case at Macon April twenty-fourth, my suggestion is that we suspend the advanced rates only from points in the State of Georgia and let the advanced rates from other points remain in effect because of the early hearing on the rates from Georgia points and the fact that if advanced rates from points outside of Georgia are suspended other injunctions might follow to restrain transportation lines from restoring advances. Please telegraph concurrence.

(Signed) J. M. CULP.

Exhibit No. 29.

Copy.

Telegram.

Washington, D. C., April 16th, 1903.

Walker D. Hines,
Louisville, Ky.

Have your wire and regret you do not see your way clear to maintain advanced rates on lumber from points outside State of Georgia, if injunction in Georgia should be made permanent it will be very easy matter for us to reduce rates from points outside that state so as to put them on parity with rates in Georgia while we at least run risk of difficulty in getting rates advanced from other points, possibly on account of injunction or come [some] other line refusing hereafter on consideration to make advance.

(Signed) J. M. CULP.

Exhibit No. 30.

Western Union Telegraph Company.

Received at 51 AN RI F 70DH.

Atlanta, Ga., Feb. 21, 1903.

C. B. Compton,
Louisville, Ky.

A strong vigorous complaint has been filed by the Georgia

POSSIBLE BLURRED PAGES

Sawmill Assn. against the advance in lumber rates, effective March first. The originating lines have arranged to meet with a committee from the Georgia Sawmill Assn. and discuss their complaint at Piedmont Hotel, Atlanta, Tuesday, twenty-fourth. Mr. Niel suggests it is desirable that representatives of Western lines be present and participate in the consideration. Joint Compton, Biles, Cameron, Miller.
152PM.

S. F PARROTT.

Exhibit No. 31.

Western Union Telegraph Company.

Received AT40AN BT F 75DH.

Atlanta, Ga., Apl. 2, 1903.

D. M. Goodwyn,
Louisville, Ky.

Southern Railway has communication from committee Georgia Sawmill Association, requesting further hearing on lumber rates before advanced rates become effective, claiming at conference, Feby. twenty-fourth, in Atlanta, transportation lines were not represented by officials charged with adjustment of rates. Southern Railway suggests matter be further discussed with lumbermen at Memphis on April seventh. Can you be present or represented? Joint Niel, Estes, Cutler, Emerson, Capps, Jackson, Knox, Biles, Miller, Goodwyn, Cameron, Steele, Sevier, Washburn.
1206PM.

S. F. PARROTT.

Exhibit No. 32.

Western Union Telegraph Company.

Received at 140AN RI F 35DH.

Atlanta, Ga., Apl. 4, 1903.

D. M. Goodwyn,
Louisville, Ky.

My message second regarding communication Ga. Sawmill Assn. requesting further hearing lumber rates Memphis, April

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seventh, meeting will not be held. Joint Niel, Knox, Miller, Capps, Cameron, Sevier, Estes, Biles, Goodwyn, Emerson, Jackson, Steele, Washburn.

456PM. S. F. PARROTT.

Exhibit No. 34.

Western Union Telegraph Company.

Received at 145 An He Ro 18 D. H. Ans.

Atlanta, Ga., Apr. 7-03.

C. B. Compton,
Gayoso Hotel, Memphis, Tenn.

Your second wire to-day. I know of no reason why meeting will not be held Thursday, ninth instant.

4:38 P. M. S. F. PARROTT.

Western Union Telegraph Company.

No. 84A, sent by Ha. Received by O, 53, D. H.

Florence, S. C. April 17th, 1903.

J. M. Culp,
Washington, D. C.

Your message in regard to suspension of rates has just reached me. We suspended rates from all points, as we thought this but fair and just to shippers in Florida and Alabama. This I understand has been done by other lines also, and I think it would be a mistake to do otherwise.

T. M. EMERSON.

Western Union Telegraph Company.

84 PM H HS 41 DH 421p ANS.

Portsmouth, Va., April 16th, 1903.

J. M. Culp, Southern Railway,
Washington, D. C.

Your telegram fifteenth as to injunction restraining trans-

POSSIBLE BLURRED PAGES

portation lines from increasing rates on lumber. It is my understanding that majority of the lines have decided to withdraw advance in rate for the present. Have requested Mr. Cost communicate with you direct. H. M. BARR.

Western Union Telegraph Company.

2 C Po Ed 74 D. H.

Nashville, Tenn., April 16th, 1903.

J. M. Culp,
Washington, D. C.

Your wire 15th. Is as much as practically all of our connections that priginate yellow pine lumber destined to points embraced in proposed advances in rates have given us notice of suspension of such advance by reason of the injunction proceedings we had prior to the receipt of your telegram, notify Interstate Commerce Commission of the suspension of the advanced rates and the restoration of the rates that were in effect April 14th. H. F. SMITH.

Western Union Telegraph Company.

29S TX O 89 DH Apl 16/03.

Savannah, Ga., April 16th, 1903.

J. M. Culp,
Washington, D. C.

Your message fifteenth. We have suspended operation advanced rates on lumber from all points to West pending hearing before Judge Speer on twenty-fourth, believing that proper correlation of rates as exists as between points in Georgia and points in Alabama. The date of hearing is near at hand if injunction is not made permanent. We do not believe that further attempt will be made in other territories to prevent the advance from taking effect. Coast Line and Louisville & Nashville appear to have suspended advanced rates in Alabama also. W. A. WINBURN.

BOOK TOO LARGE FOR FILMING

Western Union Telegraph Company.

50 an Tr Ah 50 D. H.

Macon, Ga., April 16th, 1903.

Mr. J. M. Culp,
Washington, D. C.

Your telegram fifteenth relative to injunction granted by Judge Speer restraining lines from putting into effect increase in rate on yellow pine lumber from points in Southeastern territory to Ohio River points. Previous to receipt of your telegram and under advice of counsel, we withdrew advanced rates from all points.

WM. C. SHAW.

Western Union Telegraph Company.

92 C Rf Fa 88 D H.

Louisville, Ky., April 16th, 1903.

J. M. Culp, 4th V. P. Sou. Ry.,
Washington, D. C.

Your wire yesterday. We have already suspended the advance from all points and I am advised that some of the other lines have done the same. Moreover as at present advised I would hesitate to concur in the cause you suggest. If we succeed in getting the Georgia injunction dissolved, I do not anticipate serious danger of other injunctions, while if the Georgia injunction should be continued in force, we would necessarily have to restore the old rates from other territory in order to preserve the necessary parity.

WALKER D. HINES.

Western Union Telegraph Company.

41 S AX HO 74 DH.

Savannah, Ga., April 13th, 1903.

J. M. Culp,
Washington, D. C.

I have received telegraphic notice from Ellis Wimbish and Ellis, Attorneys, that United States Judge Speer on yester-

POSSIBLE BLURRED PAGES

day granted an injunction against the advance in freight rates on yellow pine lumber to Western points effective to-day, this advice being confirmed by despatches published in to-day's papers. On the strength of this information and advice of counsel we have issued the telegraphic notice to our agents to suspend the operation of advanced rates until further notice.

W. A. WINBURN.

Western Union Telegraph Company.

55 Pm M Mc 32 D H.

Portsmouth, Va., Feb. 27th, 1903.

J. M. Culp, Southern Ry.,
Washington, D. C.

Referring to Mr. Dickinson's telegram to Mr. Clarks February twenty-fifth, owing to action other lines, we will make advance lumber rates effective April fifteenth. Joint, Harvey, Culp, Winburn, Emerson, Shaw, Thomas.

J. M. BARR.

Western Union Telegraph Company.

79 AN B ST 63 D H Feb 27, 1903.

Louisville, Ky., February 27, 1903.

J. M. Culp, Southern Ry.,
Washington, D. C.

Refer to my wire of the 25th regarding proposed advance in lumber rates we have concluded not to make the advance effective March first, all the lines from whom we have heard suggest April first or April fifteenth as the effective date of the advance. This however can be definitely arranged later. Original Clar, copy Winchell, Harrahan, Harvey, Culp, Winburn, Emerson, Barr, Shaw, Thomas.

W. J. DICKINSON.

Western Union Telegraph Company.

93 an wj ah 132 D. H.

Macon, Ga., Feb. 26, 03.

J. M. Culp,
Washington, D. C.

Your telegram regarding proposed advance in rates on lum-

BOOK TOO LARGE FOR FILMING

ber March first. Under the circumstances we agree with you as to advisability of protecting contracts made by shippers before the notice of advance was given and we think the best way to accomplish this is to postpone the date of advance. We understanding that a meeting held in Atlanta on twenty-fourth instant between lines and members of Georgia Sawmill Association it was agreed to postpone date of advance to April first or fifteenth. We learn to-day that Southern Railway has filed its declaration postponing said date to April fifteenth, and this company proposes to follow suit. Please advise whether your line will pursue similar course. Original Dickinson, Copy to Clark, Winchell, Harrahan, Harvey, Culp, Winburn, Emerson, Barr and Thomas.

253P WM. CHECKLEY SHAW.

93 an wj ah 2nd Culp Sou Ry.

Copy.

Atlanta, Ga., February 3d, 1903.

File No. ——

To the Members of the Executive Board and Conference Committee of The Southeastern Freight Association.

Gentlemen:

I am to-day in receipt of a telegram from Mr. C. C. Cameron, General Freight Agent of the Illinois Central Railroad, dated Louisville, Ky., February 2d, signed "C. C. Cameron," chairman, reading as follows:

"Louisville, Ky., February 2d, 1903.

"S. F. Parrott, Atlanta, Ga.

"At meeting St. Louis, January thirtieth, announcements made by all lines that advance of two cents per hundred pounds would be made in rates on yellow pine lumber from all producing points located in Texas, Arkansas, Louisiana, Mississippi, Alabama and the Southeast to St. Louis, East St. Louis and Mississippi River crossings, St. Louis to Cincinnati both inclusive, all points located East of Mississippi River, North of Ohio River and West of Western termini

POSSIBLE BLURRED PAGES

of trunk lines to be made on lowest combination. Please communicate information to members promptly. "B. 2."

(Signed) C. C. CAMERON, Chairman.

I have replied to Mr. Cameron's message as follows:

"Atlanta, Ga., February 2d, 1903.

"C. C. Cameron, Louisville, Ky.

"Your wire yesterday, B-2. Were announcements made at St. Louis meeting, January thirtieth, by initial lines in this territory? In other words, will it be necessary for lumber originating lines in this territory to discuss or interchange views regarding matter? Will communicate the information promptly to members."

(Signed) S. W. PARROTT.

I have also sent Mr. Cameron a supplementary telegram reading as follows:

"Atlanta, Ga., Feb 3d, 1903.

"C. C. Cameron, Louisville, Ky.

"Referring to telegram this date, following traffic officials, here to-day: Winburn, Emerson, Capps, Niel and Cuttler, suggest revised lumber rates be made effective March first. Was any date named in St. Louis announcements on which revised lumber rates would be made effective?"

(Signed) S. F. PARROTT.

Will advise further upon receipt of additional information regarding the question.

Yours truly,

(Signed) S. F. PARROTT, Chairman.

Western Union Telegraph Company.

117 C rf uf 89 DH.

Nashville, Tenn., Aprl. 16/03.

T. C. Powell,

Washington, D. C.

We have not as yet been favored with a transcript of the injunction promulgated by Judge Speer prohibiting the interested carriers from putting in effect certain advance in

BOOK TOO LARGE FOR FILMIN

rates on yellow pine lumber effective Aprl. fifteenth, but in as much as practically all of our connections that originate this commodity have announced suspension of the advanced rates, this company has notified Interstate Commerce Commission that it indefinitely postponed the effective date of all said advanced rates and that the rates in effect on April fourteenth will be continued until further notice.

H. F. SMITH.

126 P. M.

Western Union Telegraph Company.

145 an hr S. Apr. 15. 80 DH. 631 P. M.

Louisville, K., Apl. 15, 1903.

T. C. Powell,
Washington, D. C.

Owing to injunction granted in Atlanta yesterday by Judge Speer against the advance in freight rates on lumber to Ohio river points and points beyond basing on Ohio river, this company will suspend its notice of advance and continue the rates which were in effect prior to the notice of advance. Have telegraphed Interstate Commerce Commission giving notice that we have suspended the advance in rate and that we will mail them at Washington today cancellation notice in regular form.

C. B. COMPTON.

Western Union Telegraph Company.

130 Wg Bi 42 DH.

Wilmington, N. C., April —, 1903.

T. C. Powell,
Washington, D. C.

Parrott wires committee Georgia Saw Mill Association have asked for further hearing on lumber rates. We will not be able to attend meeting suggested for Memphis. Have issued our rates effective April fifteenth. Is it your intention to hold matter up longer?

H. M. EMERSON.

— POSSIBLE BLURRED PAGES

Western Union Telegraph Company.

A372Ny Mx Xa 28 ch.

Nashville, Tenn., Feb. 24, 1903.

T. C. Powell,
Washington, D. C.

Conference called for Atlanta today will, I assume, decide upon action with respect to lumber rates? We will be disposed to act in harmony with the originating lines.

H. F. SMITH.

821 P. M.

Western Union Telegraph Company.

121 an bg ah 91 DH.

Macon, Ga., Feb. 21, 1903.

T. C. Powell,
Washington, D. C.

Your wire twentieth regarding advance in lumber rates. This company has not refused to furnish cars for lumber to move to any territory designated by shippers, but has made every effort in this direction. We favor the protection of contracts made at rates in effect before notice of advance in rates was given, but we suggest that the preferable and simpler procedure would be to postpone the date of the advance to April or May first. Original Compton. Copy Parrott, Dodge, Hudson, Poe, Steele, Powell, Winburn, Emerson, Cost, Smith and Washburn.

JOHN M. CUTLER.

508p.

Western Union Telegraph Company.

No. 57 An Sheet 2, 8:10 P. M.

Louisville, Ky., Feb. 21, 1903.

T. C. Powell,
Washington, D. C.

Advanced rate where the railroad had failed to furnish the cars or where they had placed an embargo on the movement of the cars our notice is to the effect we will not exact the

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advance on shipments contracted and ready to move prior to notice of advance for which carriers have been unable or unwilling to furnish equipment where the railroads have been unable or unwilling to furnish equipment and it is no fault of the shippers then we desire to protect the old rates. The matter is having further careful consideration. Joint to Parrott, Dodge, Poe, Steele, Powell, Winburn, Emerson, Cost, Cutler, Smith, Washburn, Bowes.

C. B. COMPTON.

Atlantic Coast Line Railroad Company.

Office of General Freight, Agent, Second Division.
Savannah, Ga.

At Atlanta, Ga., March 11, 1903.

File No. — A.

Mr. E. A. Niel, G. F. A.,
Atlanta, Ga.
Dear Sir:

Lumber from Southeastern Territory to Ohio and Mississippi River Crossings and beyond.

Yours of the 6th, 3149-W, in which you advise that it will be your purpose to make the advance on lumber from Southeastern territory to Ohio river and Mississippi river crossings and beyond effective April 15th. This date will be satisfactory to us, and assuming that all other lines will concur therein, we will proceed accordingly.

Yours truly,

JAMES MENZIES,
General Freight Agent.

Cy SFP, MPW, JWP, DMG, CCC, HM,

GRK, TCP, CRC, WEE, GPB, JMC.

— POSSIBLE BLURRED PAGES

Western Union Telegraph Company.

Received at 86 L F CS 92 DH Dil.

Louisville, Ky., March 4th, 1903.

E. A. Niel,
Atlanta, Ga.

Fox recalling conference at Piedmont Hotel in Atlanta last week respecting advance in rates on yellow pine lumber investigation of condition of our line and of uncompleted contracts of lumber for which we have been unable to furnish cars has been completed sufficiently for me to say that the Louisville and Nashville R. R. is prepared to make the advance of two cents per hundred lbs., effective April first, without qualification, if that date is satisfactory to all concerned. I suggest the advance on April first, or at latest, April fifteenth. Please advise.

D. M. GOODWYN.

257 P. M.

Southern Railway Company.

Atlanta, Ga., February 26th, 1903.
175099—Fig.

Mr. S. F. Parrott,
Chairman SEF Association,
Atlanta, Ga.

Dear Sir:

Advance in rates on Lumber from Southern Points to Ohio River Crossings and beyond.

Referring to the discussion on the above subject at meetings on the 24th and 25th instants, and to the recommendations which were discussed, which provided that the effective date of the advanced rates on yellow pine lumber from Southern Points to Ohio river crossings and points beyond be deferred until April 1 or April 15th:

Our representative, I believe, withheld the views of our company upon these suggestions, which were found to be in accordance with the views of all other representatives.

This is to advise that we are unwilling to commit ourselves absolutely to any advance on a fixed date, regardless of whether it would be equitable with respect to lumber, the

BOOK TOO LARGE FOR FILMING

movement of which has been delayed by our inability to furnish equipment.

However, we expect to have completed in a very few days an investigation which we hope will justify and advance on April 1st, without reservation.

If other lines are willing to advance the rates on April 1st, and will announce their intention of doing so contingent upon notice from us on March 10th, that we will make similar unqualified advance on the same date, we trust we will be able to do so.

Yours truly,

D. M. GOODWYN,
G. F. A.

Copies Messers. Brand, Niel, Miller, Knox, Biles, Cameron, Lane, Estes, Sevier, Capps, Jackson.

Louisville & Nashville Railroad Company.

Office of General Freight Agent, Louisville, Ky.

Atlanta, Ga., March 13th, 1903.
File—175099 fox.

Mr. M. P. Washburn,
Chairman SEMV Assn.,
Louisville, Ky.

Dear Sir:

Rates on lumber.

This is to advise that effective April 15th, 1903, it is the purpose of the Louisville & Nashville Railroad to advance the present rates on yellow pine lumber, carloads, to the extent of two cents per hundred pounds from all points on its line to St. Louis, East St. Louis, and all Mississippi river crossings between Memphis and St. Louis, and all Ohio river crossings, Cairo to Cincinnati, both inclusive. Rates on yellow pine lumber to all points north of the Ohio river and east of the Mississippi river, to and including points in the Buffalo-Pittsburg Zone will be made on lowest combination, effective April 15th.

It is also our purpose to make a corresponding advance of two cents per hundred pounds in the rates on yellow pine lumber from stations on our line to Memphis, Tenn., Nash-

– POSSIBLE BLURRED PAGES

ville, Tenn., and to West Tenn. and Kentucky Junction points, provided this advance is not in excess of our local mileage scale.

Yours truly,
(Signed) D. M. GOODWYN,
General Freight Agent.

Copy to:
S. F. Parrott
E. A. Niel
C. C. Cameron
Hiaden Miller
A. G. Jackson
R. A. Brand
G. P. Biles
W. E. Estes
E. R. Capps
Lee McClung
L. Sevier
James Menzies
G. R. Knox
E. K. Voorhees
J. M. Cutler
T. F. Steele
R. E. Lutz

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106 RESPONSE TO RILE [RULE] ISSUED UPON AMENDMENT TO BILL.

In Fifth Circuit Court of U. S. for Southern District of Georgia.

H. H. Tift et al.
vs. In Equity.
Southern Railway et al.

The joint and several response of the respondents to the rule to show cause why an injunction should not issue as prayed in above bill as amended.

These defendants, not waiving their demurrer, but relying upon the same, responding, say:

These defendants deny that said Southeastern Freight Asso-

BOOK TOO LARGE FOR FILMING

ciation is in violation of the provisions of the Act of Congress of July 2, 1890, known as the Sherman Anti-Trust Act.

These defendants deny, as already set forth in their response to the rule in the original bill, that they have entered into any agreement or have acted in concert with each other in violation of the Act of Congress of February 4th, 1887, entitled, "An Act to Regulate Commerce," known as the Interstate Commerce Act, or in violation of sections one, two and three thereof, or of either of said sections, or of any of the acts amendatory to said Act to Regulate Commerce.

These defendants deny that they have committed any act or done anything in and about the matters and things in said bill of complaint, or any amendment thereto, set forth or complained of in violation of the Act of Congress of July 2nd, 1890, known as the Sherman Anti-Trust Act.

Respondent deny that the proposed increase of rates, if put into effect, will occasion to the complainants or others of the class claimed to be represented in said suit,
107 any irreparable injury, or that such injury, if it exists, which respondents deny, will be a continuing wrong or a constantly recurring grievance, incapable of pecuniary estimation, and without adequate legal remedy, or that actions for damages will not afford adequate relief, or that the same would occasion a multiplicity of suits. Respondents deny that said increase of rates would in any way occasion legal damage to orators or said other persons; but if so it be that it should be decided that the same did occasion legal damage, respondents aver that whenever in an action at law the alleged right of any one of orators was established, it would effectually settle the controversy between the carrier and all those similarly situated, and the parties would not be put to any multiplicity of actions.

And respondents pray as in their original response to rule to show cause why an injunction should not be granted, they have already prayed.

ED BAXTER,
Of Counsel for Defendants.

United States of America,
Southern District of Georgia,
County of Bibb.

Personally before the undersigned officer came J. M. Culp, who on oath says he is fourth vice-president of Southern Railway Company and as such in charge of traffic, and as such is familiar with the matters and things in the foregoing

POSSIBLE BLURRED PAGES

amended response containing the same, are true of his own knowledge, so far as relates to Southern Railway Company, and he is familiar with the same so far as relates to the other defendants, and as to these he believes the same to be true.

J. M. CULP.

Sworn to and subscribed before me, this May 12th, 1903.

L. M. ERWIN,
Deputy Clerk U. S. Cir. Ct., So. Dist. Ga.

Indorsement: United States Circuit Court, Southern District of Georgia, Western Division. H. H. Tift et al. vs. Southern Railway Company et al. Response to rule for injunction on amendment of May 7, 1903. Filed May 12, 1903. Cecil Morgan, Deputy Clerk.

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108 JOINT AND SEVERAL RESPONSE OF THE SOUTHERN RAILWAY COMPANY ET AL.

In the Fifth Circuit Court of the United States of the Southern District of Georgia.

In Equity.

The joint and several response of the Southern Railway Company, a corporation and citizen of the State of Virginia (erroneously sued by the name of the Southern Railway); the Atlantic Coast Line Railroad Company, a corporation and citizen of the State of Virginia, and not of the State of South Carolina, as erroneously stated in the bill; the Louisville & Nashville Railroad Company, a corporation and citizen of the State of Kentucky; the Nashville, Chattanooga & St. Louis Railway, a corporation and citizen of the State of Tennessee (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company); the Seaboard Air Line Railway, a corporation and citizen of the States of Virginia and North Carolina (erroneously sued as the Seaboard Air Line Railway Company, and erroneously described as a corporation and citizen of the State of Virginia alone; the Central of Georgia Railway Company, a corporation and citizen of the State of Georgia; the Georgia Southern & Florida Railway Company, a corporation and citizen of the State of Georgia;

BOOK TOO LARGE FOR FILMING

the Macon & Birmingham Railway Company, a corporation and citizen of the State of Georgia, to the rule to show cause why an injunction should not issue as prayed in the bill filed in the Fifth Circuit Court of the United States for the Southern District of Georgia, in Equity, by H. H. Tift et al. against these respondents and others.

These respondents respectively, not waiving their demurrer, but relying upon the same, and now and at all times hereafter saving to themselves all and all manner of benefit or advantage of exception or otherwise than can or may be had or taken to the many errors, uncertainties and imperfections in the said bill contained, for further response to said rule, severally responding, say:

109 I.

Respondents admit that the Southeastern Freight Association is a voluntary association, with its principal office in the City of Atlanta, State of Georgia. They deny that respondent, the Nashville, Chattanooga & St. Louis Railway, is a member of said Association; and they deny that respondent, the Louisville & Nashvile Railroad Company, is (except in its character as co-lessee with respondent, the Atlantic Coast Line Railroad Company of the Georgia Railroad) a member of said association. They aver that the following named railroad companies and steamship companies are the only companies which compose said association, viz:

Atlantic & West Point R. R.; Atlanta, Knoxville & Northern Railway Co.; Atlantic Coast Line Railroad Co.; Baltimore Steam Packet Co.; Brunswick & Birmingham Railway Co.; Central of Georgia Railway Co.; Charleston & Western Carolina Railway Co.; Chesapeake Steamship Co.; Clyde Lines; Columbia, Newberry & Laurens Railroad; Florida East Coast Railway; Georgia R. R.; Georgia, Florida & Alabama Railway Co.; Georgia, Southern & Florida Ry. Co.; Jacksonville & Southwestern Railroad Co.; Macon & Birmingham Railway Co.; Merchants & Miners Transportation Co.; New York & Texas Steamship Co.; Norfolk & Western Railway Co.; Ocean Steamship Co. of Savannah; Old Dominion Steamship Co.; Seaboard Air Line Railway; Southern Railway Co.; Virginia & Southwestern Railway Co.; Western & Atlantic R. R.; Western Railway of Alabama; Wrightsville & Tenille R. R. Co.

Respondents admit that complainants and other manufac-

POSSIBLE BLURRED PAGES

turers of yellow pine lumber in the States of Georgia, Florida, South Carolina and Alabama, exceeding one hundred and fifty in number, constitute the membership of the Georgia Saw Mill Association, which is a voluntary association; but respondents deny that said Georgia Saw Mill Association is organized or maintained for promoting or protecting by proper and lawful means the interests of the yellow pine lumber industry in the States named or elsewhere. On the contrary, respond-
110 ents aver that complainants and the other members of said Georgia Saw Mill Association have combined and conspired to and with each other to monopolize a part of the trade or commerce in yellow pine lumber among the several States of the United States of America; that they are attempting to monopolize, and do in fact monopolize a part of said trade or commerce; and that they are operating under a contract, combination in the form of trust or otherwise, in restraint of trade or commerce in yellow pine lumber among the several States of the United States; that said contract, combination in the form of trust or otherwise, or conspiracy, is evidenced in part by a paper known as the "constitution and by-laws of the Georgia Saw Mill Association, composed of yellow pine manufacturers and planing mill owners in Georgia, Alabama, Florida and South Carolina," adopted at a meeting held at Cordele, Georgia, August 3, 1899; a correct copy of which paper is here filed, marked Exhibit No. 1, and prayed to be taken as a part hereof, as fully as though set forth herein, but it need not be copied unless called for. Said constitution and by-laws provide, among other things, that "all persons, partnerships, or corporations, owning saw mill plants in the States of Georgia, South Carolina, Florida or Alabama, who shall subscribe their names hereto shall become members of the Association. By saw mill owners is meant parties who are personally owning and operating saw mills, and no other person having less than an invested interest of $50,000.00 in a saw mill shall be eligible to membership."

* * * * * "The prices on all lumber and other building material handled by saw mills belonging to the Association are to be fixed by the Association as heretofore, and the price lists made up and information sent out by the secretary as in the past."

Respondents aver that said constitution and by-
111 laws constitute a contract, combination in the form of trust or otherwise, or conspiracy between the members of said Association for the sale and transportation to other States of the United States of the yellow pine lumber

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manufactured by the members of said Association in the States of Georgia, South Carolina, Florida and Alabama; that the natural and direct effect of said constitution and by-laws is to regulate and restrain interstate commerce in the yellow pine lumber manufactured by the members of said Association; that complainants and the other members of said Association are acting in violation of the Act of Congress of July 2nd, 1890, 26 Statutes at Large, 209, entitled, "An Act to protect trade and commerce against unlawful restraints and monopolies;" and respondents are advised and insist that as complainants do not come into this Court of Equity with clean hands, they will not be allowed to maintain the bill filed in this case; and respondents rely upon this defense as fully as though it were specially pleaded.

II.

Respondents admit that they and each of them are common carriers, engaged, among other things, in interstate commerce, by the transportation of lumber from points within to points without the State of Georgia; and that each of them maintains and operates a line or lines of railway within the State of Georgia, employed in such transportation of articles of commerce between the States (except that respondent, the Louisville & Nashville Railroad Company, does not maintain or operate any line of railway within the State of Georgia other than the Georgia Railroad, which is operated by respondents, the Louisville & Nashville Railroad Company and the Atlantic Coast Line Railroad Company, as co-lessees thereof.)

They deny that respondent, the Nashville, Chat-
112 tanooga & St. Louis Railway, is a member of the Southeastern Freight Association; and they deny that respondent, the Louisville & Nashville Railroad Company, is (except in its character as co-lessee with respondent, the Atlantic Coast Line Railroad Company, of the Georgia Railroad), a member of said Association.

Respondents deny that said Southeastern Freight Association was organized or is maintained under agreements or for purposes which constitute an illegal combination in restraint of interstate trade, or for the fostering of monopoly in destruction of fair competition among carriers engaged in interstate trade. Respondents aver that said Association was organized and is maintained under "Articles of Association of the Southeastern Freight Association (printed and distributed October 4, 1902); and a true copy of said articles is here

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filed, marked Exhibit No. 2, and prayed to be taken as part hereof, as fully as though set forth herein, but it need not be copied unless called for. Respondents are advised and insist that said Articles of Association contains no agreement and indicate no purpose which constitutes an illegal combination in restraint of interstate trade, or for the fostering of monopolies in destruction of fair competition among carriers engaged in interstate trade. Respondents are advised and insist that the agreements contained in said Articles of Association and the purposes indicated thereby are in all respects legal, and that they do not violate any of the provisions of said Act of Congress of July 2, 1890, entitled, "An Act to protect trade and commerce against unlawful restraint and monopoly," or any of the provisions of the Act of Congress of February 4, 1887, or of its amendments, entitled, "An Act to regulate commerce," or any of the provisions of any other Act of Congress or of the common law.

113 Respondents are advised and insist that this Court has no jurisdiction to decree that said Southeastern Freight Association is an illegal organization and to order its dissolution, except under a bill filed by the District Attorney of the United States under the direction of the Attorney General. Respondents aver that the bill in this case is not filed by the District Attorney of the United States nor under the direction of the Attorney General. Respondents are further advised and insist that this Court has no jurisdiction to decree that said Southeastern Freight Association is an illegal organization and to order its dissolution without having all the members of said Association before the Court. Respondents aver that the Atlanta & West Point Railroad; the Atlanta, Knoxville & Northern Railway Co.; the Baltimore Steam Packet Co.; the Brunswick & Birmingham Railway Co.; the Charleston & Western Carolina Railway Co.; the Chesapeake Steamship Co.; the Clyde Lines; the Columbia, Newberry & Laurens Railroad Co.; the Florida East Coast Ry.; the Georgia R. R.; the Georgia, Florida & Alabama Railway Co.; the Jacksonville & Southwestern Railway Co.; the Merchants & Miners Transportation Co.; the New York & Texas Steamship Co.; the Norfolk & Western Railway Co.; the Ocean Steamship Co. of Savannah; the Old Dominion Steamship Co.; the Virginia & Southwestern Railway Co.; the Western & Atlantic R. R.; the Western Railway of Alabama, and the Wrightsville & Tennille R. R. Co. are members of said Southeastern Freight Association and none of them are parties to this suit. Respondents rely upon said defenses of want of jurisdiction as fully as though they were specially pleaded.

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114 III.

Respondents admit that each of them did, in the exercise of its own judgment, severally give notice that on April 15, 1903, a revised tariff of freight rates on lumber from points of shipment in the State of Georgia to Chattanooga, Tennessee, and to points on the Ohio river and beyond would be put into effect, whereby the existing rate on yellow pine lumber from and to the points designated in said several revised tariffs would be increased two cents a hundred pounds; and respondents admit that such increased rate would have been put into effect had it not been for the restraining order granted in this case.

Some of the respondents' respectitve tariffs included rates only from points of shipment in the State of Georgia; while other of respondents' respective tariffs included rates not only from points in Georgia, but also from points in Florida, Alabama and Mississippi.

Respondent deny that in promulgating any or either of said several tariffs of increased rates the several respondents or any or either of them were or are acting in concert with each other, or with any other lumber carrying road or roads that are members of said Southeastern Freight Association, or in pursuance of any unlawful agreement, or agreements, between said railway companies, or any of them, in restraint of competition or of interstate trade.

The articles of association of the Southeastern Freight Association, a copy of which has been hereinbefore filed as Exhibit No. 2, provide among other things, that "nothing herein contained shall be so construed as to confer upon a majority, or any number of members of this association, the power or authority to make rates or tariffs upon the line of any other member of this association, or to make joint rates or tariffs for any other member. Nothing herein contained shall be so construed as to confer upon the executive board, or the conference committee, or the chairman of the association, or the chairman of the executive board, or upon any other
115 committee or officer of this association, the power or authority to make rates or tariffs upon the line of any member of this association or to make joint rates or tariffs for any member of this association; it being distinctly understood that each member of this association expressly reserves to itself the exclusive power to make rates and tariffs on its own line, and to itself and its connections the exclusive power to make joint rates and tariffs, free from the dictation or control of any other member or members."

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Respondents aver that the revised tariffs referred to in section 3 of the bill in this case were respectively and severally made by respondents and their connections, free from the dictation or control of any member or members of said Southeastern Freight Association.

IV.

Respondents deny that the rights and interests of complainants or of any others engaged in the lumber trade in the State of Georgia will be vitally or injuriously affected by the proposed increase of rates; on the contrary, respondents aver that complainants and all other persons engaged in the lumber trade in the State of Georgia will add the amount of the proposed increase of rates to the prices which they will charge purchasers for the lumber; and, therefore, the rights and interests of complainants and of others engaged in the lumber trade in the State of Georgia will not be injuriously affected at all.

Respondents deny that said proposed increase of the lumber rates is unjust, unreasonable or arbitrary; or that it will prove destructive or even detrimental to the business of complainants; or that it will defeat or even restrict competition within the territory comprised of Ohio river points and points beyond in the Central, Northern and Western States; or that it will impose upon the yellow pine industry a burden out of line with, or more grievous than that sustained by the products of other industries of like weight and value. On
116 the contrary, respondents aver that said proposed increase of the lumber rates is just and reasonable; and that the circumstances and conditions now affecting the lumber traffic fully justify respondents and their connections in making said proposed increase.

Respondents admit that there is invested by complainants and other members of the Georgia Saw Mill Association, in the production and manufacture of yellow pine lumber, a large amount of money; but whether said amount approximates ten millions of dollars, respondents have no knowledge, information or belief. Respondents have no knowledge, information or belief as to the amount of the annual output of complainants, and other members of the Georgia Saw Mill Association, nor as to the value of said output at the mills, or elsewhere. Respondents admit that not less than three hundred million feet of lumber are shipped to North-Central and Western points, from the State of Georgia alone, and respondents' information and belief is that said three hundred

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million feet of lumber is of the value of more than two and one-half million dollars; they believe its value to be nearer three million dollars. Respondents deny that any portion of said three hundred million feet will be directly or injuriously affected by said proposed increase in rates. As to what the increase of two cents a hundred pounds on lumber shipped to North-Central and Western points will depend, of course, upon the quantity, quality and condition of the lumber that may be shipped; and respondents have no means of anticipating either of those facts.

V.

Respondents again deny that the proposed increase in lumber rates is either unjust, unreasonable or arbitrary.

1. Respondents admit that the existing rates on lumber yield some profit to the carrier; but they deny that lumber is a very profitable commodity to the carrier, or that
117 it is the most profitable of any freight originating in the Southern territory, value, tonnage and cost of handling considered. The present rates on lumber, value and tonnage furnished considered, are low, as compared with the rates on other commodities produced in South Carolina, South Georgia and Florida, and shipped to North-Central and Western States. The principal other commodities just referred to are oranges, pineapples, water melons, peaches, other fruit, rosin, turpentine and pyroligneous products. The naval stores, turpentine and pyroligneous products are the direct products of the yellow pine and are the only products thereof, except lumber. The cost to the shipper of handling said other products is much larger than the cost of handling lumber; inasmuch as an expense is incurred by the shipper for crates, boxes or barrels; the cost per car in loading said other products is much greater to the shipper than the cost of preparing a flat car for lumber; and the freight on the weight of the packages in which said other products are transported is paid by the shipper.

Respondents deny that the average freight on yellow pine lumber from the mills in Georgia, to the points of destination in the North-Central and Western territory, amounts to a sum in the aggregate equaling the value of the product at the points of shipment; but if it were otherwise, there are numerous other articles carried by railroads in large quantities, the average freight on which, from points of shipment to points of destination, fully equals the value of the product

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at the points of shipment; among such other articles are coal, ores, lime, sand, clay, stone, melons and frequently potatoes.

Respondents deny that from points in the State of Georgia alone, nearly, or quite seven million of dollars is annually paid to carriers for transportation to market on lumber valued at the mills at seven million dollars. Re-
118 spondents admit that the lumber product annually shipped from the State of Georgia to North-Central and Western points, which represent the territory directly affected by said proposed increase in rates, is at the mills of the value of two and one-half million dollars; in fact, respondents are informed, believe and aver that its value is nearer three millions of dollars; but respondents deny that the cost of transportation to the point of delivery on and beyond the Ohio river exceeds the value of the product.

Respondents deny that Exhibit A to the bill is a correct statement of all shipments made by the Garbutt Lumber Co. of Wright, Ga., during the month of March, 1903, to points that will be affected by the two cents advance in lumber rates. Respondents deny that said Exhibit A states correctly the aggregate weight; or the aggregate amount of freight due to the carrier; or the net value of the shipments that are referred to in said exhibit. But if said exhibit be a correct statement, the lumber covered by it must have been of an exceedingly low grade. Respondents deny that the lumber referred to in said Exhibit A was a fair sample of the average of the yellow pine lumber which is shipped from the mills in Georgia, to the Ohio river crossings and points beyond.

Respondents deny that the proposed increase in rates would reduce the proportions between the shipper and the carrier; because, as hereinbefore stated, the shipper would increase his price on the lumber and thus meet said proposed increase in rate.

Respondents deny that the present rate on lumber is greater per ton per mile than the rate on coal, pig iron, or other like products, value, weight and cost of handling considered. The comparison made in the bill between the rates on lumber and those on coal and pig iron is unfair, irrelevant and
119 misleading. Coal and pig iron are practically indestructible in transportation. The wreck of a car loaded with either of them would not occasion much, if any, loss of commodity; while lumber is broken to pieces if wrecked; and is inflammable. Besides lumber is a commodity that does not come into competition with coal, pig iron or other like products. Coal is a very cheap commodity and it

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is not shipped at all from Southern territory to the North-Central and Western territory. Pig iron is a crude commodity carried to manufacturing points; and it always gives to the carrier a second haul on the manufactured product.

Respondents deny that the quality of lumber shipped from the mills in Georgia to the North-Central and Western territory is of low grade; on the contrary, respondents aver that under the Western classification, by which said lumber is sold, the greater amount of the lumber that is shipped by complainants, and other members of the Georgia Saw Mill Association, is what is known as medium classification; and that only a small portion of it is low grade, according to the Western classification.

Respondents admit that for the transportation of the greater portion of the lumber shipped by the complainants, and other members of the Georgia Saw Mill Association, to the territory north of the Ohio river, the carrier furnishes a naked platform, or flatcar; but it is done, as a general rule, at the request of the lumber shippers. As a general rule, shippers prefer to load lumber upon flat cars, rather than in box cars. It is easier to load all kinds of lumber on flat cars than in box cars; and it costs the lumber shipper less to load and unload flat cars than it does to load and unload box cars. Certain kinds of lumber are too long to be loaded in box cars; and some kinds of lumber are so long as to require two flat cars for their transportation. Respondents' information and belief is that the cost of loading lumber in box cars
120 is nearly twice as much as the cost of loading it on flat cars. In order to supply complainants, and other members of the Georgia Saw Mill Association, with the necessary number of flat cars to move their lumber, respondents are compelled to haul a large number of flat cars to the mills empty; and consequently the rates charged by respondents for the transportation of the lumber from the mills to the North-Central and Western territory represents a transportation service rendered in carrying the empty flat cars to the mills, as well as a transportation service rendered in carrying the loaded cars from the mills to the North-Central and Western territory.

In the case of respondent, the Southern Railway, 85.3 per cent. of its flat car equipment, furnished for lumber shipments, move south empty. In the case of respondent, the Atlantic Coast Line Railroad Company, 95 per cent. of its flat car equipment furnished for lumber shipments move South empty. In the case of respondents, the Louisville & Nash-

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ville Railroad Company, and the Nashville, Chattanooga & St. Louis Railway, practically all of their flat car equipment, furnished for lumber shipments, sooner or later move over their rails South empty.

Respondents admit that the shipper is required to equip with standards, strips and supports, platform or flat cars, upon which lumber is loaded for transportation. The object of the requirement is to prevent the lumber from falling off the cars while they are in motion. Similar requirements are made of others who ship articles which require similar precaution; said requirement is universally enforced on railroads in the United States, and it is in fact a rule of the Master Car Builders' Association of the United States.

Respondents deny that they require shippers to make the standards, strips and supports "of high grade lumber;" the only requirement on the subject is contained in the following rules of the Master Car Builders' Association, viz:

12. "All stakes, clamping pieces, bearing pieces
121 and braces must be sound, straight-grained lumber (hardwood preferred), free from knots that would materially impair their strength. Care must be taken to keep the stakes from spreading at the top while cars are being loaded, and in no case must a load exceed the width of a car. Stakes should be less than four inches wide by five inches deep, tapered at the ends to accurately fit into stake pockets, which should not be less than 3 1/2 by 5 inches.

13. "Opposite stakes must always be fastened together. When the specified fastening is by means of boards, there must be two boards for every pair of stakes, each board not less than 1 by 6 inches in section, and fastened at each end by not less than three ten-penny nails. When the specified fastening is by means of wire, the wire must be equal to six strands, or three wrappings of No. 8 telegraph wire, and the wire must be secured to prevent it from slipping."

Respondents do not know the exact cost to the shipper of equiping at cars with standards, strips and supports; but their information and belief is that $1.25 per car is the average cost; and that the maximum cost for a single car would not exceed $1.50; and these estimates include all cost of labor and material in preparing said car for such shipments.

Respondents deny that the cost of equiping platform or at cars for the shipment of lumber from Georgia alone aggregates anything like from $50,000 to $100,000 per annum. Respondents have above given their best information and belief as to the average and maximum cost of equiping cars of

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lumber for transportation, and the aggregate amount of such cost will depend upon the number of cars shipped.

Respondents admit that shipper is required to pay freight on increased weight caused by said equipment, but their information and belief is, and they so aver, that said freight on said equipment will not amount to more than
122 from $1 to $1.25 per car.

As an offset to the requirement that shippers must equip platform or flat cars with standards, strips and supports and pay freight upon their weight, respondents aver that it is a common practice for shippers of lumber to load the cars below their marked capacity; the result of which is to deprive the carriers of the additional revenue which they would have obtained had the cars been loaded to their full capacity.

Respondents deny the averment in the bill that no other commodity is subjected to such rates and burdens, and respondents deny that either the rates or burdens imposed upon the lumber traffic are unfair or unjust.

There are similar requirements for making secure car-loads of structural material, plates, rails, girders, cast iron pipe, tan bark, etc. when loaded on open cars, and shippers are required to furnish and pay freight on standards, strips and supports to protect the loads. Shippers of live stock are required to bed cars at their own expense, and when partitions are necessary for the separation of the stock, shippers are required to provide such partitions at their own expense when it is necessary to protect, and secure by proper bracing, shipments of machinery, agricultural implements, vehicles and other articles, the expense of providing such protection is borne by the shippers; and freight charges on practically all classes of traffic, which require protection by crating, or other packing, are assessed upon the basis of gross weight.

The so-called burden of equipping platform or flat cars so as to protect the lumber is really not a burden at all; it is a natural and necessary incident of carrying lumber on flat cars, most of which have to be hauled to the mills empty. Formerly the carriers charged three cents per hundred pounds additional for lumber carried on flat cars, in par-
123 tial recognition of the additional disadvantage to which the carrier is subjected in being compelled to haul the flat cars to the mills empty, and in being compelled, in the case of long lumber, to furnish two or more flat cars; one of which is known as an "idler."

2. Respondents admit that there has been created a mar-

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ket for Southern yellow pine lumber in the territory consisting of the States of Ohio, Illinois, Indiana, Wisconsin and parts of New York, Pennsylvania, Michigan and Nebraska; but respondents aver that the development of said market has required a great many years; and that complainants and other manufacturers of Southern yellow pine lumber have done no more to create said market than have respondents and other carriers, who have been at as great expense in the development of said market, as have the lumber manufacturers.

Respondents and other carriers have, in the past, been compelled to reduce their rates to said territory from South Carolina, Georgia, Florida and Alabama, in order to enable the lumber manufacturers in those States to meet the competition of other lumber in the territory north of the Ohio river. Respondents and other carriers have been compelled, at special expense, to provide equipment suitable to handle the lumber business; and they have, by active and expensive solicitation, secured a large amount of the business now enjoyed by the complainants, and other manufacturers of Southern yellow pine lumber. Respondents and other carriers are as much interested in the perpetuation and extension of said market as are complainants, or other lumber manufacturers.

Respondents admit that within the territory consisting of the States of Ohio, Illinois, Indiana, Wisconsin and parts of New York, Pennsylvania, Michigan and Nebraska, complainants and other manufacturers of Southern yellow pine lumber come into direct competition (though to a limited extent only) with the hemlock spruce and white pine of Canada and the Northern States, and with the woods of the Pacific coast; but respondents are informed, believe, and so aver, that the Georgia pine has largely superseded said other woods for use for the same purpose in said territory.

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Southern yellow pine lumber successfully competes in said territory with the Canadian woods, the white pine of the Northern States and the fir lumber from the Pacific coast. It has been found that only in structural work, where extra size timbers are required, is the fir timber used to any extent whatever in the territory east of the Mississippi river. Yellow pine is without serious competition for many important uses, such as car construction, bridge and other structural work, such as docks, elevators, etc.

Respondents deny that complainants and other manufacturers of yellow pine lumber, have been able to meet the com-

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petition of hemlock, spruce and white pine lumber, only with low grades of lumber. On the contrary, respondents aver that the rates from Georgia and other Southern States on yellow pine lumber have for many years been so adjusted as to enable the manufacturers of that lumber in the Southern States to compete freely with the woods of all other sections in the territory consisting of the States of Ohio, Illinois, Indiana, Wisconsin and parts of New York, Pennsylvania, Michigan and Nebraska. And the ability of said manufacturers to compete with said woods from other sections in said territory is increasing on account of the diminishing supply of woods from said other sections. In addition to complainants' ability to compete on all the regular grades of lumber from said other sections; they have within the past few years, on account of the phenomenal development and demand in the lumber business, been able to market in said territory certain very low grades of lumber, which heretofore they have had to burn or discard as worthless; and it is only with respect to
125 those very low grades of lumber, which constitute an entirely new or additional business, produced at but little additional cost, that complainants have any difficulty in competing with lumber from said other sections in the territory described. The result of this suit, if complainants prevail, will be to prevent respondents and other railroads in the South from sharing to any extent whatever in the phenomenal prosperity of the business in the regular grades of lumber, which have all the time been disposed of in said territory without difficulty, and to have the reasonableness and propriety of the rates of respondents and other Southern lines determined absolutely and wholly by what complainants and other Southern manufacturers regard as necessary to enable them to make a handsome profit, not only on the high grades of lumber, but also on the very low grades, which constitute a new or additional business, in a by-product which has heretofore been practically worthless.

The fact that complainants do not dispose of all their high grades of lumber in the territory described above is due to the fact that they enjoy an even more profitable market for those grades in other territories, especially in the East; and it is not because they cannot find a very profitable market for those grades in the territory described. The lumber manufacturers in Georgia, by reason of their proximity to the seaboard, enjoy a very favorable market in the East for their high grades of lumber; but they find it more to their advantage to ship their low grades of lumber to the territory on and north of

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the Ohio river. This fact, however, is not true with respect to yellow pine lumber manufactured in Alabama and Mississippi. The yellow pine lumber manufactured in Alabama and Mississippi does not find an Eastern market to the same extent as does the lumber manufactured in Georgia; and, therefore, the manufacturers in Alabama and Mississippi
126 must necessarily dispose of their high grade lumber, as well as their low grade lumber, to a very large extent in the territory on and north of the Ohio river. It is not practicable to maintain lower rates on lumber from Georgia to points on and north of the Ohio river than are maintained on lumber from Alabama and Mississippi to the same points; and, therefore, another result of this suit, if the complainant prevail, will be that while they are seeking to keep down the rates on lumber so as to enable them to procure an additional profit on such a low grade lumber as they may dispose of in the territory on and north of the Ohio river, they will prevent respondents and other Southern railroads from securing any higher rates than at present, from Alabama and Mississippi, to the same territory, on the high grades of lumber, which are regularly and principally disposed of in said territory. Respondents admit that the market for low grades of lumber elsewhere than in the territory on and north of the Ohio river is somewhat restricted. Respondents have no knowledge, information or belief as to whether complainants and other manufacturers of Southern yellow pine lumber, have increased their investment of capital, or have correspondingly enlarged their output, by reason of their having acquired a market for their low grades of lumber in the territory on and north of the Ohio river.

Respondents deny that to points within the territory on or north of the Ohio river, which are stated in the bill to be indicated by Exhibit B, the rates on yellow pine are now greater than on other woods for equal distances. Respondents deny that the rates on said other woods, to points within said territory are correctly stated in the bill. The rates on fir lumber from Pacific coast points to Chicago, St. Paul, Omaha, Kansas City, St. Louis, Cleveland, Pitts-
127 burg, Cincinnati and Evansville, and the distances from said points of shipment to said points of destination and the rates per ton per mile realized from said shipments are correctly shown in Exhibit No. 3, to this answer; which exhibit is here filed and prayed to be taken as part hereof, as fully as though set forth herein, though it need not be copied unless called for.

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The rates on white pine from Northern points, to the territory on and north of the Ohio river are correctly represented by the rates on white pine from points in Michigan to Cincinnati, O., Louisville, Ky., Evansville, Ind., Cairo, Ill.; Columbus, O., Cleveland, O., Indianapolis, Ind., Terre Haute, Ind., Pittsburg, Pa. and Chicago, Ill. And those rates and the distances, and the rates per ton per mile are correctly set forth in Exhibit No. 4 to this answer, which is here filed, and prayed to be taken as part hereof, as fully as though set forth herein, though it need not be copied unless called for.

The rates on yellow pine lumber from points in Georgia to points north of the Ohio river, while they are quoted as through rates are, in fact, combination rates, which are made by adding the rates of the Southern lines from points in Georgia to the Ohio river, to the rates charged by the Northern lines from the Ohio river to points of destination north of the river. The Southern lines have no voice whatever in fixing the rates which the Northern lines charge from the Ohio river northward. The rates per ton per mile received by the Southern lines are very much less than the rates per ton per mile received by the Northern lines, notwithstanding the fact that the density of population and the density of traffic, are very much greater in the territory north of the Ohio river than they are in the territory south of that river.

Respondents file herein as Exhibit No. 5 to this answer a statement showing correctly the rates on yellow pine
128 lumber, carloads, from Cincinnati, O., Louisville, Ky., Evansville, Ind., and Cairo, Ill., to Chicago, Ill., Detroit, Mich., Cleveland, O., Indianapolis, Ind., and Pittsburg, Pa. Said statement shows not only the aggregate rates, but also the distances and the rates per ton per mile, received by the Northern roads for transportation north of the Ohio river, between the points named. Said exhibit is prayed to be taken as part hereof, as fully as though set forth herein, though it need not be copied unless called for.

Respondents file herewith as exhibit No. 6 to this answer a statement showing correctly the rates on yellow pine lumber, carloads, from South Georgia points to representative points on the Ohio river and beyond. Said statement shows correctly not only the present, and proposed rates, but also the distances, the rates per ton per mile through to destination, and the rates per ton per mile from points of shipment to the Ohio river. Said exhibit is prayed to be taken as part hereof, as fully as though set forth herein; though it need not be copied unless called for.

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Respondents aver and insist that the rates per ton per miles are immaterial and irrelevant; the only material and relevant question being as to the reasonableness of the aggregate rates; but respondents have submitted in said Exhibits 3, 4, 5 and 6 the rates per ton per mile, merely in response to the allegations in regard to them contained in the bill.

Respondents deny that yellow pine lumber is now paying any more than the carriers of white pine demand for the carriage of that product for equal distances.

Respondents admit that white pine and fir are somewhat lighter than the same dimensions of yellow pine lumber; but respondents deny that there is any discrimination at all in favor of either white pine or fir as against yellow pine.

129 Respondents deny that they have singled out yellow pine as the sole object of the proposed increase in lumber rates. On the contrary, the proposed increase is to apply on all lumber shipped via any of the respondents' lines from points in Southern Georgia to the Ohio river. The tariffs issued by some of respondents may refer, on their title pages to yellow pine only; but that is because there is no other kind of lumber which originates on those particular roads destined to points on and beyond the Ohio river.

Respondents have no knowledge, information or belief as to whether the lines which carry white pine, fir and other woods, from the Pacific coast, and from the Northern States, to the territory on and north of the Ohio river propose to increase their rates on said woods or not. Respondents insist, however, that the question is not material; because respondents have not found that the competition with said white pine, fir, and other woods is now, or has been heretofore, sufficient to require the low rates which have been made on yellow pine from Georgia to the territory on and north of the Ohio river.

Some years ago, when mills began to ship yellow pine from the State of Arkansas to points on and north of the Ohio river and east of the Mississippi river, they shipped a grade of pine inferior to that manufactured in Georgia; and the lines carrying the lumber from Arkansas made rates to said points materially lower than were in effect from the mills in Georgia. Said rates from Arkansas were stated to be made in competition with the white pine from Michigan, Wisconsin, etc., and it was claimed that such rates were necessary to introduce the Arkansas grades of yellow pine as against said white pine. At that time, the proportion which white pine bore to all kinds of pine used in the territory north of the

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Ohio river and east of the Mississippi was much
130 greater than at present; and the prices were lower
than at present. Following the putting in of said rates by the lines from Arkansas, the lines from Georgia, with the aid of their connecting lines, reduced their rates from Georgia correspondingly, so as to meet the competition from Arkansas. The lines from Arkansas have ascertained that with the decreasing supply of white pine and with the higher prices thereof, and with the rates on fir from the Pacific coast now in effect, the lines from Arkansas can safely advance their rates two cents per hundred pounds to the territory north of the Ohio and east of the Mississippi river; and they have accordingly done so. The lines from Mississippi which first met the competition of the lines from Arkansas, have likewise advanced their rates on lumber two or more cents per hundred pounds in all cases. It results that as the competition of the lines from Arkansas which forced the lines from Georgia to reduce their lumber rates has been modified, as shown above, the lines from Georgia are now justified in advancing their lumber rates two cents per hundred pounds from mills in Georgia. The market for the Arkansas yellow pine is north of the Ohio river and east and west of the Mississippi river.

Arkansas pine is not imported nor is it shipped to the East to any important extent; practically the entire market for Arkansas pine, outside of local consumption, is, as stated above, north of the Ohio river, and east and west of the Mississippi river. Respondents' information and belief is, and they so aver, that no mills in Arkansas have objected to the advance of two cents per hundred pounds on lumber made by the Arkansas lines to the territory on and north of the Ohio river; and it is submitted that if the inferior pine lumber from Arkansas can be shipped to said territory, in successful competition with white pine, fir and other lumbers at the increased rate of two cents per hundred pounds, the Georgia pine can
also be shipped at the same increase of rates, in suc-
131 cessful competition with white pine, fir and other lumbers in the same territory.

Respondents deny the averment in the bill that should the increased rate from South Georgia go into effect, the manufacturers of yellow pine will be unable to compete with other woods, or will be compelled to retire from the territory on and north of the Ohio river. On the contrary, respondents aver that the manufacturers of yellow pine lumber in Georgia will be able to continue to compete with any other wood in the

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market of said territory. Respondents deny that the market for low grade Georgia yellow pine will be destroyed, or even injured; they deny that the capital invested for the production of lumber in South Carolina, Georgia, Florida or Alabama to meet the demand created will be lost, or in any wise impaired; or that any part of the product already manufactured and on hand, if any, will be worthless for want of a market. If the rates from South Carolina, Georgia, Florida and Alabama be increased only in line with the increases that have already been made from Arkansas and Mississippi to the territory on and north of the Ohio river, the manufacturers of yellow pine lumber in South Carolina, Georgia, Florida and Alabama will continue to be able to compete on the same relative terms as they have heretofore competed with the manufacturers of yellow pine lumber in Mississippi and Arkansas; and the only effect will be to increase the price of lumber to the purchaser to the extent of the increase made in the rate. Respondents and other railroad companies are among the largest, if not the largest, purchasers of yellow pine lumber. During the quarter ended March, 1903, there were shipped from points on the Atlantic Coast Line Railroad in Georgia and connecting, or originating, or tributary lines, in Georgia, a total of 61,887,680 pounds of lumber; of which 49,986,110 pounds—or 80.8 per cent. were consigned to railroad companies and car manufacturers.

132 3. Respondents admit that the cost of the production of yellow pine lumber has materially increased since 1896-7; but it has not increased either relatively or absolutely as much as the cost of maintaining and operating railroads has increased. The cost of lumber used by railroads is now at least fifty per cent. more than in 1897. Complainants adroitly aver that there has been no increase in the market value of yellow pine lumber since January 1, 1902; but they carefully omit to aver, as the fact is, that the market value of said lumber from 1897 to January 1, 1902, was increased not less than sixty per cent. Respondents admit that such increase as there has been in the cost of production of yellow pine lumber consists in the items of raw material, labor and feed for stock, all of which have materially advanced in price.

Respondents admit that in the manufacture of lumber, as in the manufacture of everything else, the minimum cost per unit can only be obtained where conditions permit maximum production; but respondents aver that the condition existing in South Carolina, Georgia, Florida and Alabama do permit the

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maximum production of lumber in those States. Respondents have above shown that the lumber from those States can successfully compete in the territory on and north of the Ohio river with the yellow pine from Arkansas and Mississippi, with the fir from the Pacific coast points and with the white pine from Canada and the Northern States. The rates on yellow pine to the territory on and north of the Ohio river from South Carolina, Georgia, Florida and Alabama have not been increased any more than the rates from Arkansas and Mississippi to the same territory; and the cost of the production of yellow pine lumber in South Carolina, Georgia, Florida and Alabama, has not increased any more than the cost of the production of yellow pine lumber in Arkansas and Mississppi.

133 Respondents deny that they have for a considerable period "utterly" failed to furnish cars for the transportation of lumber. On the contrary, respondents aver that they have furnished for the transportation of lumber and other traffic all the cars that they own, or could procure by the exercise of the greatest diligence. They admit that owing to the increase in traffic generally, they have not been able to furnish cars sufficient for the transportation of lumber; but the same has been, unfortunately, true with reference to all other kinds of traffic. The manufacturers of railroad cars and locomotives have been utterly unable to supply the very unusual demand of the last few years. Complainants adroitly omitted to state that their business has so increased in volume (even at the largely increased prices) that respondents and other railroads, while increasing their rolling stock as rapidly as cars could be secured, have been unable to keep pace with complainants' growing trade. Respondents deny that complainants' profits have been reduced. On the contrary, respondents aver that said profits have been largely increased.

Respondents deny that the cost to them and other railroad companies of furnishing transportation to the public has been constantly, or at all, reduced by reason of increased capacity of cars or locomotives or by the use of modern appliances which dispense with the employes necessary to operate trains. On the contrary, respondents aver that the cost to them and to other railroads in the Southern States of furnishing transportation has been materialty increased during the last few years, on account of the material increase in the prices of lumber, crossties, iron, coal, wages and everything else which enters into the cost to railroads of furnishing transportation.

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4. Respondents deny that either the increased
134 rates proposed are those existing when the restraining order in this case was granted, are arbitrary, unjust or unjustly discriminating, in any respect whatsoever. It is true generally, though not in all instances, that the rates from Georgia points to Ohio river points and beyond, are one cent per hundred higher than the rates from points in Mississippi. The mills in Mississippi, in the district in which Laurel is situated, are given a certain rate, and the mills in Georgia, in the district in which Tifton is situated, are given a rate of one cent per hundred pounds higher than the Laurel rate. The average distance from the mills in the Laurel district is 83 miles less than the average distance from the mills in the Tifton district to the Ohio river crossings; and that difference in favor of the Laurel district is amply sufficient to sustain the difference in the rates of one cent per hundred pounds, which obtains between those two districts. It seems, for some reason, to have suited complainants' purpose, to select Cordele, Georgia, as a representative point in the South Georgia lumber territory; but respondents aver that Cordele is not a fairly representative point in that territory; as there is no sawmill located at Cordele. Tifton, Georgia, however, is a fairly representative point in that territory, and respondents file herewith as exhibit No. 7 a correct comparison of the distances from the Mississippi and Georgia yellow pine lumber shipping districts respectively, to Cincinnati, O., Louisville, Ky., Evansville, Ind., and Cairo Ill., the principal Ohio river crossings. Said comparison was made by taking Laurel as a representative point in the Mississippi district and Tifton as a representative point in the Georgia district. Said comparison shows that the dfference in the combined distance is 333 miles and that the average distance is 83 miles in favor of the Mississippi district. Respondents deny that said discrimination in favor of the Mississippi district is arbitrary or unjust, or that it is without reason or justification to sus-
135 tain it. On the contrary, they aver that said discrimination is just, and based upon the reason that the average of distances is in favor of the Mississippi district over the Georgia district to an extent fully sufficient to justify the difference in rates.

5. Respondents again deny that the proposed increase in rates on yellow pine lumber is either arbitrary or unjustly discriminative; and they again deny that it will be made to apply to yellow pine lumber only. On the contrary, it will be made to apply to all other woods that may be carried by re-

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spondents, though there is no other lumber shipped to Ohio river points, or beyond from the yellow pine territory of Georgia, which comes into competition with yellow pine lumber.

Respondents admit that within the past four years, to-wit, from 1899 to 1903, the rates on lumber from points in South Georgia to points on the Ohio river have increased two cents per hundred pounds and from points in South Georgia to some of the points north of the Ohio river, the rates have increased three cents per hundred pounds. The last mentioned increase, viz., the increase in the rates to points north of the Ohio river was made exclusively by the lines north of that river. Respondents received no part of such increase, and are in no wise responsible for said increase being made. Respondents aver that the increase in rates made between points in Georgia and points on the Ohio river was fully justified by the circumstances and conditions existing at the time said increase was made. Among those circumstances and conditions was the fact that the market value of lumber manufactured in the South Georgia district had greatly increased; and the fact that the cost to the railroads of furnishing transportation service had also greatly increased. Respondents deny that yellow pine lumber has been singled out to bear the burden of increased rates. On the contrary, rates
136 have been increased on many other products, and in many instances to a greater extent than the entire increases that has heretofore been made, and is proposed now to be made, on yellow pine lumber. Respondents deny that the existing or proposed rates on yellow pine lumber are greater, or produce more revenue to the carrier, than any other like product, weight, value, tonnage and cost of transportation considered.

The Interstate Commerce Commission in its last annual report mentions five hundred and thirty-one commodities upon which the rates have been increased in the Southern territory, by advances in the classification; which commodities are now moving freely, notwithstanding their rates have been advanced.

It is proper in this connection for respondents to explain to the Court the method which obtains in making rates on lumber from points in South Georgia to points north of the Ohio river. In many instances, the saw mills are located upon short lines of railroad running from the saw mills to some of the Southern trunk lines; and some of said short lines of railroad were constructed, and are now operated by some of the complainants in this case. For instance, the Tifton & Northeastern Railroad is only twenty-five miles long and runs

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from the saw mills at Tifton to Fitzgerald, where it connects with the Seaboard Air Line, which is one of the important trunk line railroads in the South. Said Tifton & Northeastern Railroad is operated by one of the complainants in this case; and in making rates on lumber from Tifton to points north of the Ohio river, said Tifton & Northeastern Railroad demand and is allowed by its connections two and one-half cents per hundred pounds as an arbitrary, or two cents per ton per mile for its maximum haul from all of its lumber producing stations. As hereinbefore explained, the roads north of the river also demand certain arbitraries over which respondents have no control, and at some of the Ohio river crossings, bridge tolls are also deducted from the
137 through rates. The result is that the Southern trunk lines which carry the lumber, say from Fitzgerald to the Ohio river, are compelled to deduct from the through rates, when the lumber is destined to points beyond that river the arbitary demanded and allowed to the Tifton & Northeastern Railroad; the arbitrary demanded and allowed to the roads north of the Ohio river; and at some of the Ohio river crossings the bridge tolls demanded and allowed to bridge companies. It results that the remainder of the through rate received by the Southern trunk lines is relatively small, and that the rate per ton per mile, received by said trunk line, is materially less than the rate per ton per mile received by the Tifton & Northeastern Railroad, and materially less than the rate per ton per mile received by the roads north of the Ohio river.

VI.

Respondents do not know, nor have they any information, or belief, as to what contracts were entered into by the complainants, or either of them for the delivery of lumber to points on, or north of the Ohio river (that being the territory to be affected by the increased rate), before they received notice of the proposed increase in the lumber rates. Respondents insist that, under the law, all interstate railroad tariffs are issued subject to change upon giving only such notice as is required by the Act of Congress to regulate commerce. Respondents aver that though said increased rates were filed to take effect April 15th, 1903, each of respondents had before that time, separately and independently, given notice of such an increase of rates; and said proposed increase of rates was well known to complainants, and the other mem-

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bers of the Georgia Saw Mill Association, to have been in contemplation by each of respondents for at least sixty days before said 15th of April, 1903. Each of respondents, separately and independently, gave notice during the month of February, 1903, that it would increase its lumber rates effective March 1st, 1903. In the early part of February, 1903,

138 the lumber manufacturers in South Georgia, knowing of said proposed increase, represented that it would take fifty-six days for them to be able to fill their existing contracts and urged a postponement to enable them to do so; and in order to meet their requests, each of the respondents separately, and independently, postponed the going into effect of said increase, on its lines until April 15, 1903, which gave complainants, and the other lumber manufacturers more than 56 days which they had requested. Not only so, but for some months prior to February, 1903, complainants and the lumber manufacturers knew that an increase of lumber rates was in contemplation by each of respondents, and if complainants, or other lumber manufacturers made any contracts thereafter, they made them with such knowledge before them. Complainants and the other lumber manufacturers, also knew the difficulty which respondents had in obtaining cars to move the lumber and the rate at which such cars had been theretofore furnished; and the statement made by complainants and other lumber manufacturers as to the 56 days needed to fill their contracts was made with such knowledge, and with no understanding as to any different method of furnishing cars in the future.

Respondents aver that they have respectively furnished complainants, and the other members of the Georgia Saw Mill Association, with sufficient cars to have moved whatever lumber was under contract prior to April 15, 1903; and if such lumber has not been shipped it has been due to the fact that said cars have been used by complainants, and other members of the Georgia Saw Mill Association, to ship other lumber which was not under contract prior to April 15, 1903. Respondents therefore deny that they have failed to supply sufficient cars to move such said manufactured product as was under contract prior to April 15, 1903; and respondents have no knowledge, information or belief as to what, if any of

139 said manufactured product, that was under contract prior to April 15, 1903, complainants or other members of said Georgia Saw Mill Association, had on hand at the time of the filing of the bill in this case.

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VII.

Respondents deny that the Southeastern Freight Association is employed by respondents, and other carriers, or by either of respondents, as a medium through which to effect a lessening of competition. Respondents again deny that said Southeastern Freight Association in legal contemplation, or otherwise, constitutes a combination or conspiracy in restraint of commerce between the States. Respondents have hereinbefore filed a copy of the Articles of Association of said Southeastern Freight Association as Exhibit No. 2 to this answer. Said articles state fully and truly the only objects or purposes for which said association was organized or is now maintained. Copies of said articles have been filed with the Interstate Commerce Commission. Respondents aver that actually as well as nominally, any railway company that is a member of said association, may and does fix its own rates and promulgates its own tariffs, and no such company is bound by any contract, agreement, combination or conspiracy, written or oral, express or implied, to change its rates so as to conform to the rates of any other carrier; and in point of fact there is no understanding, general or special, under which any member of said association is under the slightest obligation, legal or moral, to change its rates or to make its rates conform to the rates, views, rules or regulations of any other carrier, whether such other carrier be a member of said association or not. Respondents deny that in the matter of increased rates on lumber, the various lumber carrying roads have acted in concert, or have acted through said Southeastern Freight Association. Each of respondents whether it be a member of said association or not, has acted for itself and itself

140 alone, in the matter of said increased rates on lumber. As a matter of course, where two or more railroads are connecting links in a through line, such roads do act in concert, because all of them must agree what the through rates shall be, and how they shall be divided between them; but so far as companies, members of said association, are competitors of each other, there is no concert, combination, conspiracy, agreement or understanding whatever between them; each company making its own rates and issuing its own tariffs.

Respondents again deny that they have singled out lumber as a commodity upon which to lay or impose an extra burden. They have not treated lumber otherwise than as they have treated all other commodities moving under substantially similar circumstances and conditions.

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Respondents having fully responded pray that said rule be discharged, and the restraining order be dissolved.

JOHN I. HALL,
For G. S. & F.
DORSEY, BREWSTER & HOWELL,
DESSAU, HARRIS & HARRIS,
For Southern Railway Company.
LAWTON & CUNNINGHAM,
Cent. of Ga. Ry. Co.
LOUIS F. GARRARD,
For Macon & B. Ry.
KING, SPALDING & LITTLE,
Sols. for L. & N. R. R. Co.
ALEX C. KING,
Of Counsel.
KAY, BENNET & CONYERS,
Sols. for Atlantic Coast Line R. R. Co.
BROWN & RANDOLPH,
Attys. Seaboard Air Line Ry.
CLAUDE WALTER,
For N. C. & St. L. Ry.
ED BAXTER,
Special Counsel for Respondents.
Solicitors for Respondents.

141 State of Georgia,
County of Fulton.

Personally appeared before me, Julius G. Edwards, a notary public duly appointed and qualified in and for the State and county aforesaid, L. Green, H. M. Emerson, C. B. Compton, J. A. Sams, Charles R. Capps, W. A. Winburn, John M. Cutler, and J. R. Lane, who, being each duly sworn, deposes and says as follows, i. e. the said L. Green that he is the Assistant General Freight Agent of Southern Railway Company, the said H. M. Emerson that he is the Traffic Manager of the Atlantic Coast Line Railroad Company, the said C. B. Compton that he is the Traffic Manager of the Louisville & Nashville Railroad Company, the said J. A. Sams that he is the Division Freight Agent of the Nashville, Chattanooga & St. Louis Railway, the said Charles R. Capps that he is the General Freight Agent of the Seaboard Air Line Railway, the said W. A. Winburn that he is the Vice President and Traffic Manager of the Central of Georgia Railway Company, the said John M. Cutler that he is the General Freight Agent of

the Georgia, Southern & Florida Railway Company, the said J. R. Lane that he is the General Manager of the Macon & Birmingham Railway Company, all of said corporations herein named being parties defendant to the bill in which response to the rule to show cause is above made. All of said deponents, being duly sworn say that they are severally charged with the supervision of matters of traffic of the respective railroad corporations which they represent as aforesaid, and all of said deponents also say that they have heard read the foregoing response, and that the statements therein made, so far as they are made as of the knowledge of the respondents, are true, and so far as they are made as on information and belief, that they are true to the best of the several
142 deponents' knowledge, information, remembrance and belief.

L. GREEN,
W. A. WINBURN,
H. H. EMERSON,
J. R. LANE,
JOHN M. CUTLER,
CHARLES R. CAPPS,
C. B. COMPTON,
J. A. SAMS.

Sworn to and subscribed before me, this 8th day of May, 1903.

JULIUS G. EDWARDS,
Notary Public, Fulton County, Ga.

[Indorsed:] U. S. Circuit Court, Western Division, So. Dist. of Ga. H. H. Tift, et al., vs. Southern Ry. Co., et al. Response of Southern Ry. Co., et al. Filed May 12, 1903. Cecil Morgan, Deputy Clerk.

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143 EXHIBIT TO RESPONSE OF SOUTHERN RY. CO., ET AL.

Exhibit No. 1 to Answer.

Constitution and By-Laws
of the
Georgia Saw-Mill Association.

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILMIN

Composed of Yellow Pine Manufacturers and Planing Mill Owners in Georgia, Alabama, Florida and South Carolina.

Headquarters: Tifton, Georgia.

Copies furnished upon application to T. J. Agnew, Secretary, Tifton, Georgia.

Officers.

H. H. Tift, President.....Tifton, Ga.
J. J. McDonough, Vice-President.....Savannah, Ga.
T. J. Agnew, Secretary.....Tifton, Ga.

Members of Georgia Saw Mill Association.

Mose Smith, Jasper, Fla.
S. R. Estep, Grandin, Fla.
Thos. Dowling, Live Oak, Fla.
E. G. Burke, Watertown, Fla.
E. A. Polly, Belville, Fla.
Eppinger & Russell Co., New York, N. Y. Mills at Olustee, Fla.
Seminole Lumber Co., Baltimore, Md. Mill at Lake City, Fla.
T. W. Garbutt & Co., Garbutt, Ga.
Davis & Co., Marlow, Ga.
Wise & Son, Warwick, Ga.
Wilcox Lumber Company, Seville, Ga.
McMillan & Co., Rhine, Ga.
Garbutt Lumber Co., Wright, Ga.
D. C. Jones, Rift, Ga.
Ensign-Oscamp Co., Worth, Ga.
J. J. Cummings & Co., Savannah, Ga.
P. S. Cummings & Bro., Polaka, Ga.
Fitzgerald Lumber Co., Fitzgerald, Ga.
J. F. Fender, Fender, Ga.
Oglesby & Bro., Heartpine, Ga.
Standard Lumber Co., Apraks, Ga.
Pinopolis Saw Mill Company, Bayboro, Ga.
J. H. Allison, Mystic, Ga.
Harris & Lindsey, Harding, Ga.
C J. Murray, Pinehurst, Ga.
J. J. L. Phillips, Irby, Ga.
Phillips & Hollingsworth, Ruby, Ga.

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W. W. Nace, Arabi, Ga.
S. W. Webb, Hahira, Ga.
Parrott Lumber Co., Richwood, Ga.
J. S. Betts & Co., Ashburn, Ga.
W. B. Timmons & Son, Vienna, Ga.
C. Ga. Land and Lumber Co., Macon, Ga.
Fender Lumber Co., Valdosta, Ga.
Mineola Mill Co., Mineola, Ga.
Enterprise Lumber Co., Atlanta, Ga.
Stokes & Martin, Fender, Ga.
W. E. James & Co., Sycamore, Ga.
Massie Lumber Company, Macon, Ga.
Flint River Lumber Company, Bainbridge, Ga.
So. Pine Company of Ga., Savannah, Ga.
Dodge & Hays, Offerman, Ga.
H. H. Tift, Tifton, Ga.
Alford & Sloan, Willingham, Ga.
The Gray Lumber Company, Pine Bloom, Ga.
J. S. Bailey & Co., McDonalds Mill, Ga.
Rawls & Beaton, Schlatterville, Ga.
Jackon Bros., Baconton, Ga.
R. L. Bold, Baconton, Ga.
R. M. Goethe, Olar, S. C.
R. J. & B. F. Camp, White Springs, Fla.
W. E. Wells, Valdosta, Ga.
(52 members to August 3, 1899.)

Constitution and ByLaws.

Adopted at Meeting Held at Cordele, Ga., August 8, 1899.

We the undersigned saw mill and planing mill owners and operators, for the purpose of producing uniformity and certainty in the customs and usages of the trade, to settle differences between ourselves, to reform abuses, foster and encourage trade, protect ourselves from unjust and unlawful exactions and to promote a more enlarged and friendly intercourse among ourselves and those who may hereafter become associated with us, under the terms and conditions herewith, hereby agree, each with the other and with those who may hereafter become parties hereto, to form, and we do hereby form, for the purpose hereinbefore recited a voluntary association, to be known as the Georgia Saw Mill Association, which said association shall be governed by the following rules and regulations:

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1. All persons, partnerships, or corporations, owning saw mill plants in the State of Georgia, South Carolina, Florida or Alabama, who shall subscribe their names hereto, shall become members of the association. By saw mill owners is meant parties who are personally owning and operating saw mills, and no other person having less than an invested interest of $50,000 in a saw mill shall be eligible to membership.

2. The officers of the association shall be a President, a Vice President, and a Secretary and Treasurer. Said officers to be elected by the association.

3. Meetings of the association shall be held monthly; special meetings to be called at the discretion of the President and Secretary.

4. The dues or contributions shall be one cent per one thousand feet on the cut of the mills of the members, payable monthly to the Treasurer, by or before the 10th of the succeeding month, said funds to be at the disposal of the association for defraying the expenses of the association, and any excess above expenses to be divided among the members in proportion to the amount paid by each member. The one cent per one thousand feet to be only on merchantable lumber and boards, excluding all lumber used for tram road and mill purposes, and in case of planing mills only, the amount is to be made up from the number of feet shipped each month.

5. The prices on all lumber and other building material handled by saw mills belonging to the association are to be fixed by the association as heretofore and the price lists made up and information sent out by the Secretary as in the past.

6. All members of the association shall as far as possible keep press copies of all bids made, and shall keep press copies of all contracts made, and all books of each member, including copies of bids, and contracts, shall be open at all times to the examination of the association, or a committee appointed by the association.

In witness whereof, the members of the association have hereunto subscribed their names and affixed their seals.

....., [Seal]

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EXHIBIT No. 2 TO ANSWER.

Circular Letter No. 15. Series 1902-1903.

The Southeastern Freight Association.

Articles of Association
of
The Southeastern Freight Association.

(Printed and Distributed October 4th, 1902.)

For the purposes set forth in the following articles the companies subscribing hereto form the Southeastern Freight Association.

Article 1.

Section 1. An Executive Board is hereby created, composed of either the President, Vice-President, General Manager or other officer of each member of the association, as designated annually by such member; but each officer thus designated may appoint any other officer or agent of his company, as proxy, with power to represent him at any meeting of said board.

Section 2. The Executive Board shall elect its own chairman. Said board shall also elect the chairman of the association, and shall fix his term of service and salary. All expenses of the association shall be subject to the review and approval of the Executive Board, or of a committee to be appointed by said board.

Section 3. The Executive Board shall meet upon the written request of two or more members thereof, or upon the call of its chairman.

Section 4. A majority of the members of the Executive Board, present or represented by proxy, shall constitute a quorum.

Section 5. It shall require the unanimous action of those present, in person or by proxy, to adopt any motion or resolution that may be made before the Executive Board.

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Section 6. The Executive Board shall have power to reconsider any subject that may have been considered by the Conference Committee hereinafter provided for.

Article 2.

Section 1. Each member of the Executive Board shall appoint a traffic officer of his company, and such traffic officers, thus appointed, shall constitute a Conference Committee. Any traffic officer appointed a member of the Conference Committee may appoint any other officer or agent of his company as proxy, with power to represent him at any meeting of said committee. A majority of the members of the Conference Committee, present or represented by proxy, shall constitute a quorum.

Section 2. Any member of this association proposing to make any change in its rates, rules or regulations, will suggest the same to said Conference Committee for consideration and interchange of views, before such change shall take effect; but it is distinctly understood that each member reserves to itself at all times the right to take separate and independent action on each and every subject, whether suggested to said Conference Committee or not.

Article 3.

Section 1. Upon complaint to the chairman of the association that illegal devices have been resorted to, whether by secret debates, or drawbacks, or payment of commissions, or underbilling of weights, or otherwise, he shall make an investigation thereof, and he or his representatives shall be given access to the records of all members of this association, so far as the same may pertain to the traffic with reference to which such complaint may have been made.

Article 4.

Section 1. The association expenses shall be apportioned fairly between the members by the Executive Board, and upon the basis so fixed by the board, the chairman of the association shall have authority to collect same.

Article 5.

Section 1. Any member retiring from the association be-

fore the expiration of the time herein fixed, except by unanimous consent, shall not be released from its obligations to contribute its share of the association expenses, as the same may be fixed by the Executive Board.

Article 6.

Section 1. It shall be the duty of the chairman to preside at all the meetings of the Conference Committee; to keep the records of the association; to receive from each member of the association copies of tariffs or rates established by said member; to compile, print and distribute such tariffs or rates in conformity with the Interstate Commerce Act and other laws; to formulate and distribute such statistical information as may be called for by the Conference Committee or by the Executive Board, any expense incurred in collecting such information to be apportioned among the interested members by the chairman of the association. Each member will furnish such reports of freight traffic, and other statistical data, as may be called for by the chairman of the association. The chairman shall also receive and list for discussion subjects coming before the Conference Committee, conduct all correspondence that may be necessary, and communicate such information as to the records of the association as may be requested by members and others interested.

Section 2. Each member shall at the time of issue, file with the chairman of the association copies of all tariffs or rates that may be issued by such member and in which any other member may be interested.

Article 7.

Section 1. Nothing herein contained shall be so construed as to confer upon a majority, or any number of members of this association, the power or authority to make rates or tariffs upon the line of any other member of this association, or to make joint rates or tariffs for any other member. Nothing herein contained shall be so construed as to confer upon the Executive Board, or the Conference Committee, or the chairman of the association, or the chairman of the Executive Board, or upon any other committee or officer of the association, the power or authority to make rates or tariffs upon the line of any member of this association, or to make joint rates or tariffs for any member of this association; it being dis-

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tinctly understood that each member of this association expressly reserves to itself the exclusive power to make rates and tariffs on its own line, and to itself and its connections the exclusive power to make joint rates and tariffs, free from the dictation or control of any other member or members.

Article 8.

Section 1. The articles of this association shall relate to the territory lying south of the Potomac river to the Virginia-West Virginia state line, then via said line to Bristol, Tenn., through and including Middlesboro, Ky., Jellico and Harriman Junction, Tenn., to and including Chattanooga, Tenn., and on and south and east of a line from Chattanooga Tenn., via the Alabama Great Southern Railroad to Birmingham, Ala., thence via the Southern Railway Co. to and including Selma, Ala., thence via the Western Railway of Alabama to and including Montgomery, Ala., thence via the Atlantic Coast Line Railroad through Valdosta, Ga., Jasper, Live Oak and Lake City, Fla., to Jacksonville, Fla., including points on the line from Montgomery to Jacksonville, thence via the South Atlantic Seaboard to the Potomac river. Said articles shall relate to the rail lines and steamship lines which are now, or may hereafter become members of this association.

Section 2. Said articles shall relate to traffic having origin or destination within the territory above defined, in which two or more members of this association may be interested, except that said articles shall not relate to traffic between any two points north of the Virginia-North Carolina state line; nor to traffic between points on the designated northern and western boundary lines and points outside of the territory as above defined; nor to traffic from or through North Atlantic ports to South Atlantic ports, proper, or from South Atlantic ports, proper, to or through North Atlantic ports; nor to coke or bituminous coal.

Article 9.

Section 1. No change shall be made in these articles of association except by consent of each member of the association.

Article 10.

Section 1. These articles of association shall become ef-

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fective the 13th day of August, 1902, and continue in force until April 30th, 1903.

ATLANTA & WEST POINT R. R.
ATLANTA, KNOXVILLE & NORTHERN RAILWAY CO.
ATLANTIC COAST LINE RAILROAD CO.
ATLANTIC, VALDOSTA & WESTERN RY. CO.,
(By Georgia, Southern & Florida Ry. Co. Agent.)
BRUNSWICK & BIRMINGHAM RAILROAD CO.
CENTRAL OF GEORGIA RAILWAY CO.
CHARLESTON & WESTERN CAROLINA RAILWAY CO.
CHESAPEAKE STEAMSHIP CO.
CLYDE LINES.
COLUMBIA, NEWBERRY & LAURENS RAILROAD.
GEORGIA R. R.
GEORGIA, FLORIDA & ALABAMA RAILWAY CO.
GEORGIA, SOUTHERN & FLORIDA RY. CO.
JACKSONVILLE & SOUTHWESTERN RAILROAD CO.
MACON & BIRMINGHAM RAILWAY CO.
MERCHANTS & MINERS TRANSPORTATION CO.
NEW YORK & TEXAS STEAMSHIP CO.
NORFOLK & WESTERN RAILWAY CO.
OCEAN STEAMSHIP CO. OF SAVANNAH.
OLD DOMINION STEAMSHIP CO.
SEABOARD AIR LINE RAILWAY.
SOUTHERN RAILWAY CO.
VIRGINIA & SOUTHWESTERN RAILWAY CO.
WESTERN & ATLANTIC R. R.
WESTERN RAILWAY OF ALABAMA.
WRIGHTSVILLE & TENNILLE R. R. CO.

LOSE IN CENTER BOOK TOO LARGE FOR FILMING -

EXHIBIT NO. 3 TO ANSWER.

Fir Lumber, Carloads.

	Tacoma, Wash.			Portland, Ore.			Seattle, Wash.		
To	Rate	Dist.	Rate per ton pr mile	Rate	Dist.	Rate per ton pr mile	Rate	Dist.	Rate per ton pr mile
Chicago	50	2321	.0043	50	2292	.0043	50	2222	.0045
St. Paul	40	1912	.0042	40	1862	.0043	40	1813	.0044
Omaha	50	1913	.0052	50	1799	.0055	50	1923	.0052
Kansas City	50	2069	.0048	50	2029	.0049	50	3089	.0048
St. Louis ..	52.5	2331	.0045	52.5	2312	.0045	52.5	2351	.0045
Cleveland ..	60	2660	.0045	60	2631	.0045	60	2561	.0047
Pittsburg ..	62.5	2789	.0045	62.5	2760	.0045	62.5	2690	.0047
Cincinnati ..	60	2620	.0046	60	2590	.0046	60	2521	.0048
Evansville ..	60	2495	.0048	60	2477	.0048	60	2515	.0048

EXHIBIT NO. 4 TO ANSWER.

Rates on White Pine Lumber from Points in Michigan.

	Bay City, Mich.			Grand Rapids, Mich.			Manistee, Mich.		
To	Rate	Miles	Per ton pr mile	Rate	Miles	Per ton pr mile	Rate	Miles	Per ton pr mile
Cincinnati ..	13	350	7.4	13	309	8.4	16	424	7.6
Louisville ..	17	421	8.1	14	352	8.	19	467	8.1
Evansville ..	18.5	499	7.4	15.5	428	7.2	20.5	569	7.2
Cairo	21	495	8.5	19.	440	8.6	21	554	7.6
Columbus ..	12	277	8.7	12	289	8.3	15	403	7.4
Cleveland ..	11	260	8.5	12	279	8.6	14	390	7.2
Indianapolis	13	330	7.9	11.5	261	8.8	16	376	8.5
Terre Haute	15	377	8.	12	310	7.7	16.5	425	7.8
Pittsburg ..	14	391	7.161	14.5	414	7.005	17	525	6.476
Chicago	10	299	6.689	9.	245	7.347	10	303	6.6

	Port Huron, Mich.			Saginaw, Mich.			Traverse City, Mich.		
To	Rate	Miles	Per ton pr mile	Rate	Miles	Per ton pr mile	Rate	Miles	Per ton pr mile
Cincinnati ..	12	320	7.5	13	338	7.7	18	454	7.9
Louisville ...	15	430	7.	17	410	8.3	19	497	7.6
Evansville ..	20.5	491	8.4	18.5	484	7.6	21.5	604	7.2
Cairo..	21	487	8.6	21	483	8.7	24	588	8.2
Columbus ..	11.5	241	9.5	12	265	9.1	17	437	7.8
Cleveland ..	11	230	9.6	11	248	8.9	16	387	8.3
Indianapolis	11	322	6.8	13	318	8.2	17	406	8.4
Terre Haute	12	395	6.1	15	365	8.2	17	455	7.5
Pittsburg ...	14	365	7.671	14	383	7.311	18	522	6.897
Chicago	10	335	5.970	10	283	7.067	13	334	7.78

POSSIBLE BLURRED PAGES

EXHIBIT NO. 5 TO ANSWER.

Rates on Yellow Pine Lumber, Carloads.

To	Chicago, Ill.			Detroit, Mich.			Cleveland, Ohio.		
From	Rate	Miles	Per ton pr mile	Rate	Miles	Per ton pr mile	Rate	Miles	Per ton pr mile
Cincinnati	10	299	6.7	10	263	7.6	10	243	8.2
Louisville	11	304	7.2	12	373	6.4	13	353	7.4
Evansville	10	287	7.0	12	433	5.5	14	451	6.2
Cairo, Ill.	10	365	5.5	14	541	5.2	15	659	5.4

	Indianapolis, Ind.			Pittsburg, Pa.		
	Rate	Miles	Per ton Pr mile	Rate	Miles	Per ton Pr mile
Cincinnati	7	110	12.7	10	369	6.5
Louisville	8	110	14.5	14	419	6.7
Evansville	7	168	8.3	16	541	5.9
Cairo, Ill.	9	276	6.5	18	649	5.5

COMBINATION OF EXHIBIT NO. 5 TO ANSWER.

Note.—The distances contained in this statement are via the shortest available routes. The rates per ton per mile are based upon the shortest distances, and, therefore, represent maximum per ton per mile earnings. The rate per ton per mile earned by the lines not forming the short line is, therefore, reduced in proportion to the increase in length of haul, and the rates per ton per mile shown in this statement do not represent the actual rates per ton per mile earned by the carriers.

Comparative Statement of Rates on Yellow Pine Lumber from South Georgia Points to Representative Points on the Ohio River and Beyond.

Rates and Divisions in cents per 100 pounds. Rates per ton per mile are shown in mills and fractions.

From	To	Cincinnati, O.			Louisville, Ky.			Evansville, Ind.			Cairo, Ills.			St. Louis, Mo.			Chicago, Ills.			Detroit, Mich.			Indianapolis, Ind.			Vincennes, Ind.		
		Short Line Distance	Rates Present	Rates Proposed	Short Line Distance	Rates Present	Rates Proposed	Short Line Distance	Rates Present	Rates Proposed	Short Line Distance	Rates Present	Rates Proposed	Short Line Distance	Rates Present	Rates Proposed	Route	Short Line Distance	Rates Present	Rates Proposed	Route	Short Line Distance	Rates Present	Rates Proposed	Route	Short Line Distance	Rates Present	Rates Proposed	Route
Cordele, Ga.	To River		23	24		20	22		20	22		17	19		19½	21½			14	16			19	21			17	19			15	17	
	Bridge Toll								1	1		2	2		2½	2½			1	1							1	1			1	1	
	Beyond																		10	10			10	10			7	7			5	5	
	Total		23	24		20	22		21	23		19	21		22	24			25	27			29	31			25	27			21	23	
	Per ton per mile through	627	7	7.7	609	6.6	7.2	599	7	7.7	642	5.9	6.5	784	5.7	6.3		887	5.6	6.1		852	6.5	6.9		719	7	7.5		652	6.4	7.1	
	Per ton per mile to River	627	7	7.7	609	6.6	7.2	599	6.7	7.3	642	5.3	5.9	784	5.1	5.6		598	4.7	5.3		687	5.8	6.4		639	5.3	5.9		599	5	5.7	
Lumber City, Ga.	To River		21	23		19	21		19	21		14	14		15½	17½			13	15			18	20			16	18			14	16	
	Bridge Toll								1	1		2	2		2½	2½			1	1							1	1			1	1	
	Beyond																		10	10			10	10			7	7			5	5	
	Total		21	23		19	21		20	22		14	16		18	20			24	26			28	30			24	26			20	22	
	Per ton per mile through	657	6.4	7	639	5.9	6.6	629	6.4	7	672	4.2	4.8	794	4.5	5		917	5.2	5.7		922	6.1	6.5		849	5.7	6.1		682	5.9	6.5	
	Per ton per mile to River	657	6.4	7	639	5.9	6.6	629	6	6.7	672	3.6	4.2	794	3.7	4.4		620	4.1	4.8		657	5.8	6.1		639	5	5.6		629	4.4	5.1	
Moultrie, Ga.	To River		23	25		21	23		21	23		18	20		19½	21½			15	17			20	22			18	20			16	18	
	Bridge Toll								1	1		2	2		3½	3½			1	1							1	1			1	1	
	Beyond																		10	10			10	10			7	7			5	5	
	Total		23	25		21	23		22	24		20	22		23	25			26	28			30	32			26	28			22	24	
	Per ton per mile through	694	6.6	7.2	676	6.2	6.8	668	6.7	7.3	653	6.1	6.7	806	5.7	6.2		946	5.5	5.9		950	6.3	6.7		786	6.6	7.1		711	6.2	6.7	
	Per ton per mile to River	694	6.6	7.2	676	6.2	6.8	668	6.4	7	653	5.5	6.1	806	4.8	5.3		668	4.5	5.2		694	5.8	6.3		676	5.3	5.9		668	4.9	5.5	
Valdosta, Ga.	To River		23	24		20	22		20	22		17	19		19½	21½			14	16			19	21			17	19			15	17	
	Bridge Toll								1	1		2	2		2½	2½			1	1							1	1			1	1	
	Beyond																		10	10			10	10			7	7			5	5	
	Total		23	24		20	22		21	23		19	21		22	24			25	27			29	31			25	27			21	23	
	Per ton per mile through	714	6.2	6.7	696	5.7	6.3	686	6.1	6.7	709	5.4	5.9	751	5.8	6.4		974	5.1	5.8		979	5.9	6.3		806	6.2	6.7		739	5.7	6.2	
	Per ton per mile to River	714	6.2	6.7	696	5.7	6.3	686	5.8	6.4	709	4.8	5.4	751	5.2	5.7		686	4.1	4.7		734	5.3	5.9		696	4.9	5.5		686	4.4	4.9	
Wright, Ga.	To River		23	24		20	22		20	22		17	19		19½	21½			14	16			19	21			17	19			15	17	
	Bridge Toll								1	1		2	2		2½	2½			1	1							1	1			1	1	
	Beyond																		10	10			10	10			7	7			5	5	
	Total		22	24		20	22		21	23		19	21		22	24			25	27			29	31			25	27			21	23	
	Per ton per mile through	872	6.5	7.1	854	6.1	6.7	844	6.5	7.1	687	5.5	6.1	809	5.4	5.9		932	5.4	5.8		937	6.2	6.6		702	6.7	7.1		697	6	6.6	
	Per ton per mile to River	872	6.5	7.1	854	6.1	6.7	844	6.2	6.8	687	4.9	5.5	809	4.8	5.3		844	4.3	5		872	5.7	6.2		664	5.3	5.8		644	4.7	5.3	
Bainbridge, Ga.	To River		23	24		20	22		20	22		17	19		18½	20½			14	16			19	21			17	19			15	17	
	Bridge Toll								1	1		2	2		3½	3½			1	1							1	1			1	1	
	Beyond																		10	10			10	10			7	7			5	5	
	Total		22	24		20	22		21	23		19	21		23	24			25	27			29	31			25	27			21	23	
	Per ton per mile through	739	6	6.5	663	6	6.6	633	6.6	7.3	627	6.1	7	781	5.6	6.1		921	5.4	5.9		1001	5.8	6.2		773	6.5	7		686	6.1	6.7	
	Per ton per mile to River	739	6	6.5	663	6	6.6	633	6.3	6.9	627	5.4	6.1	781	4.7	5.2		633	4.4	5.1		739	5.2	5.7		663	5.1	5.7		633	4.7	5.4	

BOOK TOO LARGE FOR FILMING – POSSIBLE BLURRED PAGES

EXHIBIT NO. 7 TO ANSWER.

Comparison of distances from the Missippi [Mississippi] and Georgia yellow pine lumber shipping districts respectively to Ohio River Crossings named:

To	From Laurel, Miss.	From Tifton, Ga.
Cincinnati, O.	690 miles	667 miles
Louisville, Ky.	612 "	667 "
Evansville, Ind.	568 "	637 "
Cairo, Ills	413 "	645 "
	2283 "	2616 "

Difference in combined distances . . . . . 333 miles
Average difference in distance to Ohio River in favor of Mississippi district . . . . . 83 miles

Filed May 12, 1903.

CECIL MORGAN,
Deputy Clerk.

BOOK TOO LARGE FOR FILM

145 ANSWER OF THE SOUTHEASTERN FREIGHT ASSOCIATION, BY S. F. PARROTT, CHAIRMAN.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs.
Southern Railway Company, et al.

This respondent replying to the rule to show cause why an injunction should not issue in this case, replying says:

He adopts for himself as chairman of the Southeastern Freight Association each and every averment of the response of the several railway companies, defendants named in said bill of complaint to said rule to show cause upon the original and amendment to the bill of complaint, allowed May 7th, 1903, (this respondent has separately answered the amendment praying discovery) so far as the several allegations of said bill of complaint and amendment refer or relate to this respondent or the Southeastern Freight Association, and makes the same his answer to said rule to show cause.

MAYSON, HIEL & McGIN,
Solicitors for Respondent.

United States of America,
Southern District of Georgia,
County of Bibb.

You, Samuel F. Parrott, do swear that you are the chairman of the Southeastern Freight Association, and that the facts in the foregoing response stated so far as relates to your act and deed, or that of the Southeastern Freight Association, are true, and so far as relate to the act and deed of anyone else, you believe to be true. SAMUEL F. PARROTT.

146 Sworn to and subscribed before me this 13th day of May, A. D. 1903. CECIL MORGAN,
Deputy Clerk.

[Indorsed:] In the Circuit Court of the United States for the Southern District of Georgia, Western Division. H. H. Tift, et al., vs. Southern Railway Company, et al. Answer of the Southeastern Freight Association, by S. F. Parrott, Chairman. Filed in office this May 13th, 1903. Cecil Morgan,

NG – POSSIBLE BLURRED PAGES

Deputy Clerk. Mayson, Hill & McGin, Solicitors for Respondent.

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147 STATISTICS FROM ANNUAL REPORT OF SOUTHERN RAILWAY COMPANY.

SOUTHERN RAILWAY COMPANY.

Statistics Concerning Freight Movement, Earnings, Etc., for the Years Named Below; Taken From the Annual Reports of Said Company.

Figures for Entire Line.

Year.	Total tonnage Freight Hauled.	Rate Per Ton Per Mile.	Number of Tons Lumber Hauled.	Proportion of Lumber Tonnage to total Tonnage.
1895	.....	.....	.....	.....
1896	7,334,927	.01030	.....	.....
1897	7,323,115	.00976	.....	.....
1898	8,746,485	.00931	.....	.....
1899	10,412,841	.00899	.....	.....
1900	13,590,353	.00916	.....	.....
1901	15,025,080	.00936	.....	.....
1902	16,811,538	.00391	.....	.....

Figures for State of Georgia.

1895	2,032,367	.00912	251,849	12.39
1896	1,948,334	.00835	345,888	17.75
1897	1,879,591	.00851	284,626	13.44
1898	2,180,024	.00752	254,330	14.47
1899	2,289,217	.00717	409,403	16.23
1900	2,524,206	.00765	556,951	18.98
1901	2,621,802	.00758	530,232	17.02
1902	2,681,968	.00761	545,294	16.78

BOOK TOO LARGE FOR FILMING

Gross Earnings, Operating Expenses and Net Earnings of the Southern Railway Company for the Months Named Below.

Month.	Gross Earnings.	Operating Expenses.	Net Earnings.
September, 1901	$385,224.13	$271,435.94	$113,788.19
October, 1901	478,705.99	301,630.98	177,075.01
November, 1901	469,726.59	288,182.37	181,544.22
December, 1901	444,839.46	286,099.18	158,740.28
January, 1902	451,625.33	335,307.45	116,317.88
February, 1902	410,078.47	316,353.89	93,724.58
March, 1902	397,257.36	339,330.04	57,927.32
April, 1902	360,603.04	357,713.03	22,890.01
May, 1902	362,422.62	323,332.27	33,370.35
June, 1902	375,319.34	289,689.76	32,130.18
July, 1902	428,053.95	331,714.28	96,339.67
August, 1902	443,006.93	322,358.63	120,648.30
September, 1902	463,614.05	305,490.72	158,123.33
October, 1902	518,333.94	358,392.02	160,443.92
November, 1902	475,929.51	339,949.10	135,980.41
December, 1902	458,699.00	354,465.47	104,233.33
January, 1905	512,027.90	377,674.63	134,353.27
February, 1905	491,444.78	371,345.92	120,098.86

Gross Earnings, Operating Expenses and Net Earnings of the Southern Railway Company for the Years Named Below.

Year.	Gross Earnings.	Operating Expenses.	Net Earnings.
1895	$2,963,297.27	$2,148,453.57	$ 614,843.70
1896	3,439,343.79	2,551,823.88	887,519.87
1897	3,416,620.28	2,417,719.25	998,901.03
1898	3,634,104.42	2,733,000.00	901,104.42
1899	4,076,546.78	3,043,000.38	1,033,545.40
1900	4,440,057.48	3,213,367.08	1,226,690.40
1901	4,893,196.71	3,432,647.38	1,460,549.33
1902	4,935,095.52	3,649,847.11	1,285,248.41

— POSSIBLE BLURRED PAGES

ATLANTIC COAST LINE RAILWAY COMPANY.

Statistics Concerning Freight Movement, Earnings, Etc., for the Years Named Below; Taken from the Annual Reports of Said Company.

Savannah, Florida & Western Railway Company.

Figures for State of Georgia.

Year.	Total tonnage Freight Hauled.	Rate Per Ton Per Mile.	Number of Tons Lumber Hauled.	Proportion of Lumber Tonnage to total Tonnage.
1897	693,979	.01201	115,725	17.00
1898	764,694	.01194	97,299	12.73
1899	786,033	.01172	123,635	15.73
1900	.....	.....	.....	.....
1901	889,756	.01224	192,621	21.65
1902	1,397,295	.01185	325,970	23.33

Brunswick & Western Railroad Company.

1897	493,102	.01274	215,752	44.00
1898	562,663	.01194	200,607	35.65
1899	610,737	.01349	202,218	33.11
1900	740,226	.01019	365,311	49.35
1901	734,886	.00978	344,284	46.85

Savannah, Florida & Western Railway Company.

Figures for Entire Line.

1897	1,493,391	.01201	.....	.....
1898	1,645,564	.01194	.....	.....
1899	1,691,484	.01172	.....	.....
1900	2,210,784	.01174	.....	.....
1901	2,341,465	.01224	.....	.....
1902	3,947,161	.01185	.....	.....

Note—Figures for 1902 (S. F. & W. Ry.) represent the consolidated earnings, etc., of the S. F. & W. and the B. & W. These two railroad companies now compose what is known as the Atlantic Coast Line.

BOOK TOO LARGE FOR FILMIN

Gross Earnings, Operating Expenses and Net Earnings of the Atlantic Coast Line Railway Company for the Months Named Below.

Month.	Gross Earnings.	Operating Expenses.	Net Earnings.
July, 1901	$245,910.53	$178,040.96	$ 67,869.57
August, 1901	213,904.27	173,364.74	40,539.53
September, 1901	198,556.29	165,045.71	33,510.58
October, 1901	239,942.83	167,001.88	72,940.95
November, 1901	262,386.24	165,487.74	96,898.50
December, 1901	290,495.91	172,265.08	118,230.83
January, 1902	266,453.78	173,743.87	92,709.91
February, 1902	276,993.50	178,990.87	98,002.63
March, 1902	284,447.74	180,895.93	103,551.81
April, 1902	247,421.37	178,627.17	68,794.20
May, 1902	251,859.41	180,055.61	71,803.80
June, 1902	248,675.60	175,467.71	73,207.89
July, 1902	363,114.88	230,592.48	132,522.40
August, 1902	344,828.25	276,877.15	67,951.10
September, 1902	407,244.60	265,955.76	141,288.84
October, 1902	493,067.95	297,515.47	195,552.48
November, 1902	381,776.55	241,888.04	139,888.51
December, 1902	391,812.98	226,305.74	129,507.24

Note—Prior to July 1st, 1902, the railroad now known as the Atlantic Coast Line Railway Company was the Savannah, Florida & Western Railway Company.

Gross Earnings, Operating Expenses and Net Earnings of the Atlantic Coast Line Railway Company for the Years Named Below.

Year.	Gross Earnings.	Operating Expenses.	Net Earnings.
1895	$3,103,493.73	$2,156,415.18	$ 947,078.55
1896	2,254,351.01	1,713,729.08	540,621.93
1897	2,228,133.02	1,622,574.65	605,558.37
1898	2,456,430.75	1,822,556.91	633,873.84
1899	2,615,270.89	1,989,180.41	626,090.48
1900	2,633,579.10	1,892,833.31	740,745.79
1901	2,854,658.49	1,970,867.74	883,790.75
1902	2,938,883.17	2,025,915.18	912,967.99

Note—Prior to July 1st, 1902, the railroad known as the Atlantic Coast Line Railway Company was the Savannah, Florida & Western Railway Company—or Plant System of Railway.

– POSSIBLE BLURRED PAGES

SEABOARD AIR LINE RAILWAY COMPANY.

Statistics Concerning Freight Movement, Earnings, Etc., for the Years Named Below; Taken from the Annual Reports of Said Company.

Figures for Entire Line.

Year.	Total tonnage Freight Hauled.	Rate Per Ton Per Mile.	Number of Tons Lumber Hauled.	Proportion of Lumber Tonnage to total Tonnage.
1895	337,689	.01379	163,050	48.28
1896	371,782	.01406	.....	.....
1897	596,354	.01469	.....	.....
1898	742,012	.01274	.....	.....
1899	747,739	.01246	.....	.....
1900	814,466	.01291	.....	.....
1901	3,998,081	.01188	.....	.....
1902	2,516,072	.01068	.....	.....

Figures for State of Georgia.

1895	.....	.....	.....	.....
1896	267,683	.01406	120,612	43.420
1897	476,487	.01469	176,651	37.080
1898	610,113	.01274	248,685	40.760
1899	614,822	.01246	287,574	46.760
1900	669,736	.01291	314,595	46.920
1901	1,497,894	.01827	1,116,672	27.930
1902	1,870,456	.01027	275,728	14.780

Note—The above figures for the years 1895 to 1900, both inclusive, are for the Georgia & Alabama Railway, which railroad now constitutes the major portion of the Seaboard's mileage, and on which most of its lumber traffic originates. The years 1901 and 1902 are for the Seaboard Air Line Railway Company, which includes the Georgia & Alabama.

BOOK TOO LARGE FOR FILM

Gross Earnings, Operating Expenses and Net Earnings of the Seaboard Air Line Railway Company for the Months Named Below.

Month.	Gross Earnings.	Operating Expenses.	Net Earnings.
September, 1901	$211,389.20	$132,783.63	$ 78,605.57
October, 1901	243,806.57	149,676.04	94,130.53
November, 1901	221,131.27	145,302.77	75,828.50
December, 1901	213,700.66	145,822.23	67,878.43
January, 1902	234,212.42	154,046.24	80,166.18
February, 1902	218,316.54	157,389.96	80,575.78
March, 1902	250,037.80	169,462.08	80,575.72
April, 1902	237,635.39	173,094.48	64,540.91
May, 1902	232,492.94	168,006.10	64,486.84
June, 1902	214,050.93	158,656.43	55,394.50
July, 1902	213,061.11	162,243.68	50,817.43
August, 1902	213,133.15	149,295.97	63,837.18
September, 1902	253,175.81	168,288.85	84,886.96
October, 1902	276,104.10	180,795.16	95,308.94
November, 1902	246,765.87	168,266.85	78,499.02
December, 1902	249,607.62	174,587.46	75,020.16
January, 1903	251,318.26	179,471.74	71,846.52
February, 1903	244,680.86	165,231.09	79,449.77

Gross Earnings, Operating Expenses and Net Earnings of the Seaboard Air Line Railway Company for the Years Named Below.

Year.	Gross Earnings.	Operating Expenses.	Net Earnings.
1895	$ 648,246.56	$ 767,770.77	$.....
1896	787,105.39	760,283.32	26,822.07
1897	912,680.80	806,793.90	105,886.90
1898	856,931.92	747,286.44	109,645.48
1899	971,484.25	796,764.05	174,720.20
1900	1,106,507.63	887,624.55	218,883.08
1901	2,088,516.08	1,695,760.91	392,755.17
1902	2,680,985.38	1,922,299.81	758,685.87

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GEORGIA SOUTHERN & FLORIDA RAILWAY COMPANY.

Statistics Concerning Freight Movement, Earnings, Etc., for the Years Named Below; Taken from the Annual Reports of Said Company.

Year.	Total tonnage Freight Hauled.	Rate Per Ton Per Mile.	Number of Tons Lumber Hauled.	Proportion of Lumber Tonnage to total Tonnage.
1895	477,564	.01458	200,516	41.996
1896	474,789	.01530	252,613	53.205
1897	481,746	.01394	249,029	51.693
1898	574,061	.01303	315,812	55.014
1899	601,804	.01221	.....	.....
1900	737,668	.01338	.....	.....
1901	691,900	.01239	.....	.....
1902	743,849	.01149	.....	.....

Figures for State of Georgia.

1895	.....	.....	.....	.....
1896	.....	.....	.....	.....
1897	.....	.....	.....	.....
1898	.....	.....	.....	.....
1899	547,519	.01128	321,057	58.638
1900	691,267	.01295	492,552	62.139
1901	661,716	.01213	413,113	62.430
1902	706,779	.01127	436,345	61.737

BOOK TOO LARGE FOR FILMI

Gross Earnings, Operating Expenses and Net Earnings of the Georgia Southern & Florida Railway Company for the Months Named Below.

Month.	Gross Earnings.	Operating Expenses.	Net Earnings.
September, 1901	$ 99,226.44	$ 75,379.76	$ 23,846.68
October, 1901	108,778.91	76,183.67	32,595.24
November, 1901	99,867.81	72,486.26	27,381.55
December, 1901	109,957.55	77,913.84	32,043.71
January, 1902	114,405.28	84,278.52	30,126.76
February, 1902	107,125.24	83,815.05	23,310.19
March, 1902	97,407.47	87,468.76	9,938.71
April, 1902	93,207.33	79,496.69	13,710.64
May, 1902	100,030.40	84,233.20	15,797.20
June, 1902	105,468.34	84,798.02	20,670.32
July, 1902	115,384.61	82,749.10	32,635.51
August, 1902	126,583.41	91,172.35	35,411.06
September, 1902	112,892.14	84,037.03	28,855.11
October, 1902	129,119.09	90,511.85	38,607.24
November, 1902	140,247.63	98,076.40	42,171.23
December, 1902	145,687.69	104,106.65	41,580.44
January, 1903	150,806.55	108,638.50	42,168.05
February, 1903	142,805.94	118,191.70	24,614.24

Gross Earnings, Operating Expenses and Net Earnings of the Georgia Southern & Florida Railway for the Years As Shown Below.

Year.	Gross Earnings.	Operating Expenses.	Net Earnings.
1895	$ 843,557.92	$ 614,962.40	$ 228,595.52
1896	869,115.92	610,328.99	258,786.90
1897	863,541.63	590,707.44	272,834.19
1898	949,627.06	654,054.02	295,573.04
1899	953,797.94	695,714.47	258,083.47
1900	1,022,625.42	660,046.37	362,580.05
1901	1,065,069.58	714,190.42	350,879.16
1902	1,109,639.14	757,081.29	352,557.85

G – POSSIBLE BLURRED PAGES

CENTRAL OF GEORGIA RAILWAY COMPANY.

Statistics Concerning Freight Movement, Earnings, Etc., for the Years Named Below; Taken from the Annual Reports of Said Company.

Figures for Entire Line.

Year.	Total tonnage Freight Hauled.	Rate Per Ton Per Mile.	Number of Tons Lumber Hauled.	Proportion of Lumber Tonnage to total Tonnage.
1895	1,912,648	.01232	431,894	22.59
1896	1,308,879	1.12138	343,148	26.22
1897	1,875,260	.01205	354,777	18.92
1898	2,036,616	.01165	420,157	20.63
1899	2,199,048	.01044	516,849	23.50
1900	2,457,977	.01096	637,743	25.95
1901	2,708,915	.01064	572,391	21.13
1902	3,258,444	.01129	716,707	22.00

Figures for State of Georgia.

1895	.....	.....	.....	.....
1896	.....	.....	.....	.....
1897	.....	.....	.....	.....
1898	.....	.....	.....	.....
1899 1,742,443	.....	.....	.....	.....
1900 1,891,227	.....	.....	.....	.....
1901 2,115,596	.....	.....	.....	.....
1902 2,625,941	.....	.....	.....	.....

Gross and Net Earnings of the Central of Georgia Railway Company for the Months Named Below.

Month.	Gross Earnings.	Operating Expenses.	Net Earnings.
October, 1901	$627,260.48	$341,962.84	$285,297.64
November, 1901	588,647.72	377,401.93	211,245.79
December, 1901 ...	586,625.85	375,978.27	210,647.58
January, 1902	580,335.99	378,878.32	201,457.67
February, 1902 . ..	494,862.31	367,606.79	127,255.52
March, 1902	478,519.50	420,054.30	58,465.20
April, 1902	390,606.12	342,540.50	48,065.62
May, 1902	415,297.17	345,814.43	69,482.74
June, 1902	424,077.55	318,366.99	105,710.56

BOOK TOO LARGE FOR FILMI

July, 1902	516,049.23	353,632.56	162,415.67
August, 1902	507,048.03	364,135.07	142,912.96
September, 1902 .. .	627,912.45	440,370.00	187,542.45
October, 1902	682,777.82	387,585.01	295,192.81
November, 1902 .. .	618,130.94	396,496.47	221,634.47
December, 1902 . .	633,384.24	408,694.19	224,690.05
January, 1903	654,654.52	494,938.68	159,715.84
February, 1903 .. ..644,697.49		551,119.34	93,578.15
March, 1903	621,913.94	448,899.67	173,014.27

Gross Earnings, Operating Expenses and Net Earnings of the Central of Georgia Railway for the years As Shown Below.

Year.	Gross Earnings.	Operating Expenses.	Net Earnings.
1895 .. .. ..$3,955,358.96		$2,739,222.12	$1,216,136.84
1896	4,245,972.22	2,676,204.45	1,569,767.77
1897	4,067,584.78	2,464,490.35	1,603,094.43
1898	3,870,313.51	2,413,224.08	1,457,089.43
1899	4,515,312.02	2,789,451.65	1,725,860.37
1900	4,621,764.51	2,933,837.96	1,687,926.55
1901	5,181,235.78	3,502,554.75	1,678,681.03
1902	5,918,645.11	4,184,062.41	1,734,642.70

State of Georgia,
County of Fulton.

Personally appeared before me J. D. Massey, who being first duly sworn, deposes and says that he is the secretary of the Railroad Commission of Georgia, and that as such secretary he is the custodian of the records of said commission; that among said records are the annual reports and monthly reports of the various railroad and railway companies engaged in the business of common carriers within the State of Georgia; that said reports are sworn to by the proper officers of said companies as being correct; that the attached documents contain true and correct extracts from the reports as aforesaid, made by the railroad companies severally named therein to the Railroad Commission of Georgia, as aforesaid

J. D. MASSEY,
Secretary of the Railroad Commission of Georgia.

Sworn to and subscribed before me this May 9th, 1903.
Z. D. HARRISON, C. S. C. Ga.

Filed May 13, 1903. I. M. ERWIN,
Deputy Clerk.

G – POSSIBLE BLURRED PAGES

Lumber Issue No. N. L. 392.
Supersedes N. L. 369 and Supplements 5, 7 and 8.

I. C. C. No. 216.
Supersedes I. C. C. No. 203 and Supplements 5, 7 and 8.

Joint Freight Tariff
—Issued By—
The Georgia Southern & Florida Railway Co.
In Connection With Transportation Lines Named on Page 1.
—on—
Yellow Pine Lumber and Shingles in Carloads
of 30,000 Pounds Minimum on Single Cars,
and 24,000 Pounds Each on Lap Lumber.

WESTERN LUMBER TARIFF NO. 12.

—From—
Stations on the Georgia Southern & Florida Railway
—and—
Connecting Lines Named Herein
—to—
Western Cities
—and—
Points in Kentucky, Tennessee and West Virginia.

Issued—Macon, Ga., April 1, 1903.
Effective—April 15, 1903.
By—
John M. Cutler,
General Freight Agent.
Authy File 6772. 1800.

Agents at Stations from which this Tariff applies will post two copies in Conspicuous Places in their Depots.

The J. W. Burke Company, Printers, Macon, Ga.

BOOK TOO LARGE FOR FILMING

I. C. C. No. 740. G Rate No. 5160.
File No.: 1012 x 7 and 8.
1039 x 7 and 8.

Central of Georgia Railway Company.
Traffic Department.

Effectitve March 1st, 1903.
Savannah, Ga., February 14, 1903.

JOINT LUMBER TARIFF NO. 13.

Issued in Connection With Roads Shown Within.

Rates on Lumber, Carloads, 30,000 Pounds Minimum,
In Cents Per 100 Pounds,
From Stations on the
Central of Georgia Railway System
And Connecting Lines Named Herein
—to—
Nashville, Tenn., Memphis, Tenn.,
And Points On and North and West of the Ohio and Mississippi Rivers.

Supersedes Lumber Tariff No. 12, G Rate No. 3100 (I. C. C. No. 679), in Effect June 7th, 1902, and All Supplements and Amendments.

This Company Reserves the Right to Change These Rates Without Other Notice Than Required By Law.

Approved:
W. A. Winburn,
Vice. Pres. & Traffic Manager,
Savannah, Ga.

J. L. Graham,
Ass't Gen. Freight Agent,
Savannah, Ga.

C. W. Chears,
Division Freight Agent,
Chattanooga, Tenn.

Issued by:
W. E. Estes.
Gen. Freight Agent,
Savannah, Ga.

Note.—Agents at Stations from which these Rates apply must post in two Public and Conspicuous Places.

Req. No. 661—2-5-03-3m.

Presses Braid & Hutton, Savannah.

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Sou. Ry.—Lumber Issue No. 3455.
A. G. S. R. R.—Rate Issue No. X 2071.
Aug. Sou. R. R.—Rate Issue No. E 1398.
(For Superseded Issues see Page 3 of cover.)
Sou. Ry. I. C. C. No. 7340.
A. G. S. R. R. I. C. C. No. X 120.
Aug. Sou. R. R. I. C. C. No. E 97.

Freight Tariff
of the
Southern Railway Company
Alabama Great Southern R. R. Co.
and
Augusta Southern Railroad Co.
In Connection With
Transportation Lines Indicated on Page Three of Cover
Publishing Rates On
Yellow Pine Lumber and Shingles
Carloads, Minimum Weight As Provided on Page 2 of Cover
Per Hundred Pounds

PINE LUMBER TARIFF 6.

From
Southern Mill Points in Alabama, Florida, Georgia, Louisiana and Mississippi
to
Points in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, New York, Ohio, Ontario, Pennsylvania, Tennessee, West Virginia and Wisconsin.

Issued April 4, 1903,

By E. A. Niel,
Gen'l Frt. Agent,
Sou. Ry. and A. S. R. R.,
Atlanta, Ga.
L. Green,
Asst. Gen'l Frt. Agt.,
Southern Railway,
Atlanta, Ga.

Effective April 15, 1903,
and by L. Sevier,
Gen'l Frt. Agent,
A. G. S. R. R.
Birmingham, Ala.
Lee McClung,
Asst. Frt. Traffic Mgr.
Southern Railway,
Louisville, Ky.

Approved by T. C. Powell,
Frt. Traffic Manager,
Sou. Ry. and A. S. R. R.,
Washington, D. C.

Information Regarding These Rates May be Obtained From

L. L. McCleskey, Div. Frt. Agent, Atlanta, Ga.; G. R. Browder, Div. Frt. Agent, Birmingham, Ala.; J. R. Mock, Commercial Agent, Columbus, Ga.; C. L. Candler, General Agent, Brunswick, Ga.; D. E. Williams, Jr., Commercial Agent, Jacksonville, Fla.; J. O. Moore, Commercial Agent, Macon, Ga.; George Robertson, Soliciting Agent, Montgomery, Ala.; J. W. Hunter, Commercial Agent, Selma, Ala.; S C. Black, Commercial Agent, Mobile, Ala.; J. J. Seay, Soliciting Agent, Rome, Ga.; L. A. Emerson, Asst. Gen'l Frt. Agt., Charleston, S. C.

Ex. List—See page 153, Ex. List Book F.
(2400) File F.
(500) Authority File No. 4184.

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151 AFFIDAVIT OF C. W. CANTRELL.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Co., et al.

State of Georgia,
County of Bibb.

Personally appeared before the undersigned, a notary public in and for said county, C. W. Cantrell, who being duly sworn deposes and says:

1st. That he has until the past twelve months, been in the employment of railroads in the capacity of traveling freight agent, that during the past twelve months he has been engaged in the lumber business, representing the Provident Lumber Company, with headquarters at Tifton, Georgia.

2nd. Your deponent further states that the Chicago, Indianapolis & Louisville Railway generally known as the "Monon Route," furnishes as many if not more flat cars for the loading of lumber territory than any other line not directly reaching said territory. That in recent months, having

noticed the absence of flat cars of the line from Georgia territory he made inquiry of D. A. Denmark, general agent of the said "Monon Route," as to why the lumber people were receiving none of their cars, and was advised by the said Denmark that their flats were being moved south loaded with stone to be used in buildings and for jetties, to Florida points principally, and that after being unloaded they could be used for the return of lumber, and that it is a fact that a very large part of the flat car equipment of the Western lines does move south loaded and is not invariably handled empty in one direction.

152 3rd. Your deponent further states that in his effort to secure flat car equipment for the movement of his business he ascertained that 150 cars belonging to the Norfolk & Western Railway and the Southern Railway were to shortly move south, loaded with steel rail, from Sparrows Point, Maryland, for the use of Southern railroads, and that the said cars when empty would be returned to the Southern Railway at Meridian, Mississippi, after which your deponent could probably secure some of them.

4th. Your deponent further states that in his efforts to secure flat cars for the movement of his lumber, he ascertained that 50 flat cars would shortly move south from Sparrows Point, Maryland, consigned to the Georgia Southern & Florida Railway, he being informed that the cars hauling such shipments, would be Southern Railway, Georgia Southern & Florida, and Norfolk & Western cars.

5th. Your deponent further states that a great many flat cars are used in the transportation of stone and other stone from the West to Southern territory and also for the handling of steel rail, machinery, and agricultural implements.

6th. Your deponent further states that he has examined Exhibit "A," attached to affidavit of C. B. Compton, traffic manager of the Louisville & Nashville Railway, and of the lumber shipments to which said Compton therein refers, 50 per cent of same were not sold to consumers direct by the mills, but were purchased by such consumers from wholesalers, and that the prices paid to such wholesaler does not indicate the price received by the manufacturers, the manufacturers usually receiving $1.00 to $1.50 per thousand feet less than is received by the wholesaler handling the product. This percentage is apparent from said exhibit which it is not improb-

able that a large per cent of the remaining 50 per cent may likewise have been so handled, if not being discoverable from said exhibit whether or not the sale was made by the mills direct.

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7th. Your deponent further shows that shipments enumerated by the said Compton are not a fair average, nor are they fairly representative of the business moving from Georgia to Western territory, said Compton having taken a great many points located on the Ohio river and other points taking comparatively low rates and having shown but few vars [cars] to Detroit, Michigan, and other points to which the bulk of the business from Georgia moves all of which takes a much higher rates than most points shown by said Compton.

8th. Your deponent further states that he has examined "Exhibit B" in the affidavit of said C. B. Compton, and that the said exhibit is an unfair representation of the general situation intended to be explained and outlined thereby. That the Louisville & Nashville Railway Co., originates no Georgia lumber and therefore receives only an intermediate line's proportion which is by the custom of railroads, very much smaller than would be received by the initial or delivering line, for a similar service. That the Louisville & Nashville Railway Company originated all of the pig iron and coal referred to in said Exhibit "B" and according to the general custom of railroads received there for a much greater proportion than it would have received on said pig iron and coal had it been an intermediate line as was the case in all the lumber shipments to which he referred in Exhibit "A."

9th. Your deponent further states that many of the shipments of pig iron and coal referred to in said Exhibit "B," by said Compton were local to his line, in that they originated at points located on the Louisville & Nashville Railway and were delivered to consignees at points on the Louisville & Nashville Railway and beyond, and to have made a fair comparison he should have shown the rate per ton per mile on lumber originating in Birmingham territory and destined to the same points as the pig iron and coal referred to.

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10th. Your deponent further states that Exhibit "C" referred to attached to affidavit of C. B. Compton is an unfair representation of the facts it is intended to illustrate. The prices on lumber in the Chicago market do not represent

the price to the mill man even with the freight deducted, for as above stated the bulk of this business is handled through wholesale dealers. Said Exhibit "C" is likewise unfair, in that it takes a basis of rates group 1, on the Southern Railway, which carries a 24c rate to Chicago, which is the lowest rate applicable from any Georgia point to Chicago. Group 1, on the Georgia Southern & Florida Railway carries a 25c rate group 2, a 26 cent rate, group 3, a 27c rate, and all tap lines, or tributary line connecting at points within such groups carries a 1c per hundred pound higher rate than those named.

11. Your deponent further states that group 1 on the Southern Railway is an unfair illustration on account of the fact that being an old line its timber resources are almost exhausted and that it originates little or no timber to this point.

12. Your deponent further shows that under the average rate of 26 1/2 cents per 100 pounds, on lumber from Georgia territory to Chicago, in 1891, and years immediately subsequent thereto, there was little or no lumber moving from Georgia territory to said Western points, that after the reduction referred to, by said C. B. Compton were made, lumber did begin to move to this territory, and a market has been gradually been built for Georgia lumber. That since the establishment of this market the rates on lumber have been increased in every instance 2 cents per hundred pounds, and in some instances as high as 3 and 4 cents per 100 hundred pounds to all of this territory by the lines, defendants in this case, and other lines of railway with which they connect.

155 13. Your deponent further states that Exhibit "G" in the affidavit of said C. B. Compton, and the other similar exhibits are unfair, in that they show the rate per ton per mile, received by a line which originates business and likewise delivers it to the consignee, such line as heretofore stated by the custom of railroads receiving practically its local rate which is always much higher than an intermediate line's proportion on a through haul.

C. W. CANTRELL.

Sworn to and subscribed before me, this 14th day of May, 1903.

NISBETT WRIGHT,
Notary Public, Bibb County, Ga.

(Indorsement:) U. S. Circuit Court, Western Division,

Southern District of Georgia. H. H. Tift, et al., vs. Southern Railway Co., et al. Affidavit of C. W. Cantrell. Filed May 15th, 1903. Cecil Morgan, Deputy Clerk.

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156 AFFIDAVIT OF G. S. EVANS.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Co., et al.

State of Georgia,
County of Worth.

In person appeared before the undersigned, a notary public in and for said county, G. S. Evans, who being duly sworn deposes and says:

1. That he is a member of the firm of J. S. Betts & Company a partnership engaged in the manufacture of yellow pine lumber, with mills located at Ashburn, Georgia. That his company is a member of the Georgia Saw Mill Association, an organization for the promotion of the lumber industry in South Georgia and surrounding territory.

2. That the saw mill plant and dry kilns belonging to his firm were completely burned in November, 1900, leaving them with but a small body of timber that had never been cut over, and quite a large lot of which the big timber had been cut, leaving but small that theretofore had had no market, that basing their calculations on the possibility of handling this small timber and assuming that the rates of freight would remain the same substantially the same as they had been for many years past, with the exception of an increase of 2 cents per hundred pounds that had been made in the year 1899, we shipped a plant for the manufacture of flooring, ceiling and other similar products which find their principal outlets in Western markets, to all of which territory the roads defendants in this case now propose to make further increase in rates amounting in every instance to 2 cents per 100
157 pounds, and in at least one instance at least one instance 4 cents per 100 pounds; the investment

made by the firm of your deponent for the purpose of manufacturing lumber and laths amounts to approximately $200,000.00; the proposed advance in rates by defendants will largely exclude his product from the Western market where it comes in strong competition with spruce, hemlock, fir and other woods, which will depreciate and permanently effect the value of the investment of your deponent's firm.

3. Deponent farther states that a very large percentage of his Western shipments passed through the Cincinnati gateway, small amounts passing through Louisville and Evansville, and very little if any through Cairo.

4. Your deponent further states that he is now working on two to three hundred thousand feet of lumber, the remainder of an order of about 1,000,000 feet for Haskell & Barker Car Company, of Michigan City, Indiana; this order is taken on basis of a 25 per cent. rate and previous to any knowledge by your deponent or any member of his firm, that the railroads proposed to make any increase in the freight to said point; that the G. S. & F. R'y has issued its lumber tariff number 12, which but for this proceeding would have gone into effect April 15th, increasing the rate on lumber to Michigan City, Indiana, 4 cents per 100 pounds; this proposed increase in rates will necessarily mean a very great loss to the firm of your deponent.

5. Your deponent further states that the freight on lumber from his mill to the average Western destination is often 100 per cent and frequently more than 100 per cent of the value of his product at the mill; this is especially true of dimension lumber; in substantiation of this your deponent shows that during the months of January and February he shipped to certain Western points among others eleven certain cars the average value of which at the mill was $116.19, while the freight on same averaged $116.88.

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6. Your deponent further states that his timber being boxed must necessarily be moved at once, and that if deprived of the Western market by excessive rates, the value of this timber will be greatly impaired and much of it necessarily left in the woods being worthless.

7. Your deponent further states that there has been great

increase in the cost of production during the past four years, this is especially true as to the cost of timber suitable for saw mill purposes, it being the belief of your deponent that any saw mills who have made any money have made it rather out of their timber holdings than out of the manufacture of its product.

8. Your deponent further states that there have been no recent increases in the market value of lumber, but that prices remain practically as they were twelve to eighteen months ago, and that there is no such prosperity in the lumber business that will justify the proposed increase in lumber rates as proposed by the railroads.

9. Your deponent believes that lumber now pays as freight a higher percentage of its value at the mills than is borne by any other product handled by railroads, service and cost of handling considered.

G. S. EVANS,
Of J. S. Betts & Co.

Subscribed and sworn to before me, this the 4th day of May, 1903.

J. B. BOZEMAN,
N. P. W. Co., Ga.

(Indorsement:) U. S. Circuit Court, Western Division, Southern District of Georgia. Affidavit of G. S. Evans. H. H. Tift et al. vs. Southern R'y Co., et al. Filed May 12th, 1903. Cecil Morgan, Deputy Clerk.

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159 AFFIDAVIT OF J. LEE ENSIGN.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Co., et al.

State of Georgia,
Berrien County.

In person appeared before the undersigned a notary public

in and for said county, J. Lee Ensign, who being duly sworn deposes and says:

1. That he is and has been since June, 1895, engaged in the manufacture and shipment of yellow pine lumber in the Counties of Dooly, Worth, Irwin and Berrien, State of Georgia, and that fully seventy-five per cent of his product goes to Western points and other points included in the proposed increase of freight rates by the defendants in this case.

2. Your deponent further states that he has invested for himself and his associates in business about $500,000.00 in saw mills, plants, tram roads and timber. That these investments have never been satisfactory to either himself or his associates, and that they have repeatedly during the past three or four sale these investments at less than inventory price. Your deponent further states that 60 per cent. of the lumber manufactured by the mills in which he is interested is of low grade stock, finding practically its only market in the territory affected by this increase proposed in freight rates. Your deponent further states that the freight on this lumber shipped into this territory is greater than the value at the mills as shown by sworn statement of actual shippers hereto attached and marked "Exhibit A." Your deponent further
160 shows that the freight rates to points affected by the proposed increase in rates were two cents and in some instances three cents lower at the time these investments were made, than at the present time.

3. Your deponent further states that the discrimination in the freight rates between points where mills in which he is interested are located and points in Alabama, Mississippi, Louisiana, Arkansas and Texas, where the same class of yellow pine lumber are manufactured, is one of the main reasons why your deponent is not able to market his lumber satisfactorily in the territory where such discrimination exists. This discrimination between Georgia territory and that embraced in the States of Alabama, Mississippi, Louisiana and Texas in every instance amounts to one cent and in many instances to more. Lumber is handled from Beaumont, Texas, to Detroit, Michigan, a distance of twelve hundred and ninety-five miles for 28c per 100 lbs.; from Cordele, Ga., to Detroit, a distance of 923 miles, the rate is 29c per 100 lbs. This is a most important discrimination in that the principal works of the American Car and Foundry Company are lo-

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cated at Detroit and are large consumers of your deponent's product. It is likewise a fact that in addition to the discrimination before referred to the lines reaching ino Louisiana and Texas territory make rebate in the form of proportions allowed private roads that actually perform no haul on the finished product, merely using such roads for hauling logs to their mills, which are located on the main lines. These rebates or proportions vary from 2 1/2 cents to 5 cents, which to that extent necessarily increases the competition your deponents and other shippers in South Georgia must meet in order to sell their product in common territory. Your deponent further states that for this same cause he has recently lost a large contract to Cincinnati, which went to Lake Charles, La., for the above reason, and that he has been injured in the sum of several hundred dollars in this

161 instance on account of this discrimination in rates.

Your deponent further shows that this is not an isolated case, but that such discrimination in rates has been a constant source of loss in business to mills located in this territory. That the secretary of the Georgia Saw Mill Association was advised by the branch of the American Car & Foundry Company doing business at Huntington, West Virginia, that they could not buy lumber in this territory on account of this discrimination; in proof of which he attaches hereto a letter from said American Car & Foundry Company dated Huntington, W. Va., October 1st, 1900, and marked Exhibit "B."

4th. Your deponent further states that the cost of manufacture of yellow pine lumber has greatly increased in the past four years and that timber, rail, feed, and many other supplies have more than doubled in cost during that period, notwithstanding which there has been but little increase in the price of lumber during the said period, and none at all during the last two years.

5. Your deponent further states that the proposed advance in freight rates will make it impossible to market at least 40 per cent of shipments that he is now making into territory included in proposed advance in rates, at any profit and that he will necessarily be compelled to abandon large tracts of small timber which cannot be used for other purposes, and account of limited leases and the condition of the timber caused by excessive turpentining can never be used for the purposes which he originally intended, and will be practically a total loss both to himself and the railroads.

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6. Your deponent further shows that there is likewise great discrimination between lumber and other similar products handled by the railroads. The rate on steel rails from Pittsburg territory to Cordele, Ga., is $5.30 per ton of 2240 lbs. The defendants in this now propose to charge a rate of 34c per 100 pounds on lumber from Cordele, Georgia, to Pittsburg, equivalent to $7.62 per gross ton. A ton or rails at the mill is worth about $33.00 while a similar ton of lumber at the mill is worth $5.00.

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7. Your deponent further states that he has invested a large amount of money in machinery for the manufacture of slabs and waste product and he contemplates making other large investments for the manufacture of the same, which he would abandon if the proposed advance in freight rates should be made.

8th. Your deponent further states that the greater part of lumber shipments from this section to Western territory moves through Cincinnati, Ohio.

9. Your deponent further states that it is impossible for him to market successfully his low grade product in Pittsburg and other Eastern territory on account of competition from North Carolina territory, and that the defendants in this case will further injure him on account of the fact that the proposed increase in rates does not include products from that territory.

10. Your deponent further shows that lumber can be handled by the railroads with greater economy than almost any other product. That notwithstanding that he has been in the lumber market and shipping constantly for the past eight years he has never had a claim against transportation lines for either loss or damage; which constitutes a considerable source of loss in the handling of nearly all other products. Your deponent further states that in addition to the rates regularly collected he is required by the railroads to equip all flat cars on which a great deal of his product is moved with bearings, standards and binders, and at his own labor and expense, and to pay freight on the rate which is increased by such shipment. The cost of material, the labor of putting it in place and the additional freight, will average 1 1/2 cents per 100 pounds; as compared with all other shipments, for which railroads furnish fully equipped cars.

163 11th. Your deponent further states that he is advised and believes that railroads handling lumber from points in Texas, make an allowance of 2000 pounds on all lumber loaded during rain or damp weather, and that no such allowance is made to him or other shippers similarly situated in Georgia territory, and that this constitutes another item of competition which he must meet in common market with such shippers.

J. LEE ENSIGN.

Sworn to and subscribed before me this 6th day of May, 1903.

H. S. MURRAY,
Notary Public, Berrien County, Ga.

(Indorsement:) U. S. Circuit Court, Western Division, Southern District of Georgia. H. H. Tift, et al., vs. Southern R'y Co., et al. Affidavit of J. Lee Ensign. Filed May 12th, 1903. Cecil Morgan, Deputy Clerk.

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177 AFFIDAVIT OF J. LEE ENSIGN, WM. B. STILLWELL AND M. W. GARBUTT.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Co., et al.

Georgia,
Bibb County.

Personally appeared before the undersigned a notary public in and for said county, Wm. B. Stillwell, J. Lee Ensign and M. W. Garbutt, who being duly sworn depose and say:

That in explanation of affidavits already made and in reply to statistics already furnished by the defendants, in reference to the proportion and quality of their products purchased by the railroads and the car factories,

That said lumber is of various qualities; a very large per cent of which, however, is of low grade, necessarily selling at a very low price, to-wit, standard or square edge, said terms

being interchangeable—car decking and car framing which brings at the mill, $7.00 to 69.00 per thousand feet, at which price we have strong competition with other woods, making it impossible for us to receive more if demanded; standard or square edge car sills bringing at the mills from $8.00 to $10.00 per thousand feet; car lining $10.00 per thousand feet, car roofing and siding which is relatively high grade, brings from $12.00 to $14.00 per thousand feet, but constitutes a very small proportion of the total amount shipped to railroads and car works, not exceeding two to three per cent of our product consumed by such industries, this material being supplied by other woods and with which we come in competition.

178 Your deponents further state that lumber bought by the railroads defendants in this case, and other Southern lines of railway for the purpose of railroad construction outside of car building, is of the largest sizes and very best quality, and therefore commands much more than an average price; that there has been great change in the condition under which lumber is manufactured within the past eight years. In 1895, and for a few years subsequent thereto, only large timber was being worked, there being no market for the cheaper grades of lumber which could be made from small trees and the tops of larger trees. This necessarily made a supply greater than the demand for larger sizes, used in bridge building and other uses peculiar to the railroads, making the selling price quite low. During these years at least 60 per cent of the output of the mills of South Georgia was of this better quality while at the present time conditions have so changed (large timber having become scarce and smaller timber being worked, that the output of the high grades such as is used by the Southern railroads in bridge building and other similar uses represents not more than 25 per cent of the total output of the average mill and a very small percentage not exceeding 5 per cent is shipped to points affected by the proposed increase in rates. The price of lumber used by the Southern railroads has likewise increased on account of the increasing distance from the point of manufacture to the point of consumption. In 1895 the Central of Georgia Railway, the Atlantic Coast Line Railway and the Southern Railway doubtless secured a very large proportion of the lumber used by them from the mills located immediately on their lines, while now necessarily such timber has been largely exhausted and the lumber is necessarily hauled much greater distances, in consequence of which they pay freight to other lines of railway making delivery to them.

Your deponents further say that on account of heavier rail and heavier equipment of every character, the rail-
179 roads now use much larger timbers than were in use in 1895, or immediately subsequent thereto. That on account of the scarcity of large timbers and increasing sizes, prices necessarily ranged higher. Your deponents further show that often the railroads do not place their orders with the mill men directly but through brokers, and that the price paid by railroad is no fair criterion as to the amount received by the saw mills.

WM. B. STILLWELL,
J. LEE ENSIGN,
N. W. GARBUTT.

Sworn to and subscribed before me, this 13th day of May, 1903.

C. N. WALKER,
Notary Public, Bibb County, Ga.

(Indorsement:) U. S. Circuit Court, Western Division, Southern District of Georgia. H. H. Tift, et al., vs. Southern Railway Co., et al. Affidavit of Wm. B. Stillwell, J. Lee Ensign, M. W. Garbutt. Filed May 15th, 1903. Cecil Morgan, Deputy Clerk.

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185 AFFIDAVIT OF H. M. ENSIGN.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Co., et al.

State of Georgia,
County of Irwin.

Personally appeared before the undersigned, H. M. Ensign, who being duly sworn deposes and says:

That he is vice-president of the Ensign-Oskamp Company, whose office and mill are at Ocilla, Irwin County, Georgia. Said company was organized in October, 1898, and have invested in their plant exclusive of timber, $100,000.00. They are manufacturers of all grades of yellow pine lumber, and are large producers of car material which is shipped via Cincinnati to points in Illinois, Indiana, Michigan. Also to Buf-

falo, New York. Also via Lexington, Ky., to Huntington, W. Va., all of which points are included in the proposed advance in rates. There is hardly any market for this class of material in the territory not included in the proposed advance.

The cost of producing lumber during the past four years has increased in greater proportion than the selling price as shown by the following figures. All of the figures given in this affidavit are taken from the records and vouchers in their office.

Price of relaying steel rail, delivered at Ocilla:

1899 . . . . . $21.60
1900 . . . . . 26.68
1902 . . . . . 33.65
1903 . . . . . 38.00—Increase 80%

186 Hay Per Ton:

1899 . . . . . $15.50
1900 . . . . . 17.75
1901 . . . . . 19.95
1902 . . . . . 21.00
1903 . . . . . 23.00—Advance 48%

Corn Per Bushel:

1899 . . . . . 53 1/2 cents
1900 . . . . . 54 1/2 "
1901 . . . . . 63 3/4 "
1902 . . . . . 88 "
1903 . . . . . 70 1/4 " —Advance 31%

Cotton Seed Hulls Per Ton:

1899 . . . . . $3.40
1901 . . . . . 4.25
1902 . . . . . 5.25
1903 . . . . . 5.00—Advance 47%

Oats Per Bushel.

1899 . . . . . .39c.
1900 . . . . . .40c.
1901 . . . . . .40c.
1902 . . . . . .60c.
1903 . . . . . .56c.—Advance 44%

Average advance in feed 42 1/2 per cent. Advance in labor paid by our company has been from 15 to 20 per cent.

The various tracts of timber bought by us in 1898, were bought at $2.00 per acre. In 1900, we bought a large tract at $4.00 per acre. During the present year we have bought a tract at $7.00 per acre, being an advance during the four years of 250 per cent.

The advance in various kinds of mill supplies is
187 from 20 to 80 per cent.

If the various items entering into the cost of the manufactured product are proportioned to the total cost, it shows an average increase cost of over 42 per cent.

The average net selling price for our output for the past four years is as follows:

1899	$ 8.23
1900	8.50
1901	8.72
1902	10.25—Advance 24½%

This the advance in cost has been greater by seventy-five per cent than the advance in selling price.

There has been no material change in the selling price of lumber since January, 1902, as shown by the following:

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205 AFFIDAVIT OF W. J. DONLAN.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Co., et al.

State of Georgia,
County of Bibb.

Personally appeared before the undersigned, a notary public in and for said county, W. J. Donlan, who being duly sworn deposes and says:

1. Answering subpoena duces tecum served on him, as secretary of Savannah Chamber of Commerce, Savannah, requiring the production of a certain letter dated Savannah, Geor-

gia, April 3rd, 1903, addressed to Mr. F. C. Battey, chairman of Transportation Committee, and W. J. Donlan, secretary of Chamber of Commerce, Savannah, Georgia, and signed Ed. A. Neil, General Freight Agent Southern Railway; James Menzies, G. F. A., Atlantic Coast Line Railway; L. E. Chalenor, A. G. F. A., S. A. L. R'y; J. L. Graham, A. G. F. A., Central of Georgia R'y.

He herewith attaches the original of said letter.

W. J. DONLAN.

Sworn to and subscribed before me, this 12th day of May, 1903.

C. N. WALKER,
Notary Public, Bibb County, Ga.

Filed May 13th, 1903.

CECIL MORGAN,
Deputy Clerk.

Savannah, Georgia, April 3, 1903.

Mr. F. C. Battey,
Chairman Transportation Committee,
Mr. W. J. Donlan,
Secretary Chamber of Commerce, Savannah, Ga.,
Dear Sirs:

We beg to acknowledge receipt of your communication dated April 1st, which was presented to the undersigned today by your committee, consisting of Messrs. Stillwell and Granger.

We had a full discussion of the matter with your committee and endeavored to correct the erroneous impressions contained in the preamble and resolution which we have no doubt were based upon incorrect information. We believe we have presented good reasons for the proposed increase in the rates on lumber to Western cities from interior Georgia, Alabama, Mississippi and Louisiana points in connection with similar advance from Arkansas and Texas, and that when the information obtained by the committee is laid before you and considered fully, you will feel assured that the interests of Savannah will not be affected injuriously by the advance in lumber rates from the South to Western points.

Yours truly,
E. A. NEIL,
G. F. A., Southern Ry.

JAMES MENZIES,
G. F. A., A. C. Line R. R.
L. E. CHALENOR,
A. G. F. A., S. A. L. Ry.
J. L. GRAHAM,
A. G. F. A., C. of Ga. Ry.

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211 AFFIDAVIT OF P. D. PHILLIPS.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Co., et al.

State of Georgia,
County of Berrien.

In person appeared before the undersigned, a notary public in and for said county, P. D. Phillips, who being sworn deposes and says:

1st. That he is engaged in the manufacture of yellow pine lumber in the Counties of Berrien, Irwin and Worth in said state; that among other reasons he removed his business from Northern Alabama to South Georgia, on account of the equality in rates then existing between South Georgia, South Alabama and South Mississippi, from all of which territory to Chicago and other western points the rates of freight on yellow pine lumber were the same; that had it not been for this equality in rates he would probably have selected territory more favorably situated, to-wit, South Georgia, or South Mississippi; that since the location of your deponent in South Georgia, the rate on lumber to western points has been increased by the railroads, defendants in this case and others without any corresponding increase from South Alabama and South Mississippi, it being the invariable custom of the railroads handling lumber from South Georgia, to keep in effect a one cent per hundred pounds higher than is maintained by the railroads handling lumber from said Mississippi territory and Alabama, regardless of what may be the rates from Mississippi and Alabama territory, regardless of what the rates from that territory may be. While this condition is uniform-

ly true, as regards western territory on eastern busi-
212 ness, the mills from said Alabama and Mississippi
territory with a much longer haul, are only required to pay the same rate of freight as your deponent.

2nd. Your deponent further states that while the rates of freight from his territory were on a parity with those from like situations from Alabama and Mississippi territory a large part of the product from Georgia found a western market, but that following the difference in rates and the then financial depression then existing this market was entirely lost for all of the lower or cheaper grades of lumber. This condition resulted in only the larger timber being cut, the small timber and the tops of the trees being left in the woods, and the material of which boards or laths might have been made went into the slab pit. That during the general prosperity of the last few years, a market has been gradually built up in the said western territory, which was enabling the saw mills to again cut over their lands, using timber that had theretofore been unmarketable and worthless for any purpose whatever on account of high rates of freight and low prices theretofore prevailing, that very shortly after a market had been obtained and was being developed for this product, to-wit: in the year 1899, the railroads defendants in this case and other lines of railways increased the rates to said western territory at all points in South Georgia, to 2 cents per hundred pounds and in some instances to 3 cents per hundred pounds; that notwithstanding these said increases, your deponent and others by selling at a very narrow margin of profit, was able to do some business in this said western territory; that his margin of profit has necessarily been narrow on account of competition met in said territory by western woods; that the proposed increase in rates of 2 cents per hundred pounds, will in many cases if not all absorb his entire profit, and make it impossible to ship his cheaper grade of lumber or laths to said western territory and for which there is now no other market, either in existence or in prospect, it being impossi-
213 ble to ship products into eastern markets on account of competition offered by North Carolina and other points nearer the point of demand and therefore having much lower freight rates.

3rd. Your deponent further states that this condition will necessitate the leaving of a great deal of small timber in the woods likewise the top of trees, both of which will be almost, if not a total loss to both the saw mills and the railroads, that

this small timber is on land that has once been cut over, and all has been turpentined, and after the removal of the large timber will stand from one to but three years, being destroyed and rendered worthless by winds and fires; that a great deal of this timber is now reached by tram roads varying in length from 5 to 20 miles and if not worked during the existence of the present tram road it will not in future years be worth the laying down of tram roads to secure.

4th. Your deponent further states that there are no longer any bodies of timber in South Georgia to justify the location of large saw mills, it all having been worked back from the railroads from three to five miles, and in most instances much further, that the timber now existing in South Georgia is mostly a poor quality and on isolated lots of land, which if cut at all, must be done by small portable saw mills, moving from place to place and hauling their product by wagons from 3 to five miles to the nearest railroad; the expense of handling lumber in this manner would be so great that at even the present rates of freight as demanded by the railroads would make its cutting at a profit impossible.

5th. Your deponent further states that during the past four years everything entering into the manufacture of lumber has increased enormously without any corresponding increase in the selling price of its product, labor as employed by him has increased from 10 to 20 per cent., saw-
214 mill timber has advanced from $2 to $3 per acre to $6 and $8 per acre, and in occasional instances as high as $10 per acre; mules three years ago cost from $75 to $100, and now cost from $150 to $200; feed stuff for stock has increased 25 per cent. during the past three years, and mill supplies fully from 50 per cent. to 100 per cent.; steel rail, new, for building tram roads, three years ago cost your deponent $27 per ton; the same rail will not [now] cost $40 to $45 per ton; that notwithstanding increase in everything entering into the manufacture of lumber, there has been no corresponding increase in the selling price of lumber; this is especially true of the cheaper grades which find their exclusive market in the Western market, all of which will be affected by this proposed increase in rates. Your deponent further states that there has been no increase whatever in the price of lumber during the past eight months, but that prices remain substantially the same as they were then, while everything entering into its manufacture has constantly increased.

6th. Your deponent further states that all of his product is rough green material, which when the railroads can furnish the cars he is required to load, on flat or platform cars, the cheapest class of rolling stock in use by the railroads, that while railroads furnish to the shippers of every other products a car complete in every particular, he is required to equip all such cars with the bearings, standards and binders, all of first-class material, which must be accurately and closely fitted to the cars before the railroads will handle them. The cost of this material, the labor putting it in place and the freight which he must pay on account of the increased rate due to this equipment on an average to Western points amounts to 1 1/2 cents per hundred pounds in addition to the rate exacted from him by the railroads.

P. D. PHILLIPS.

Sworn to and subscribed before me this May 5, 1903.
H. S. MURRAY, Notary Public.

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231 AFFIDAVIT OF C. H. CALDWELL.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

In Equity.

H. H. Tift, et al.,
vs. Bill.
Southern Railway Co., et al.

State of Georgia,
County of Decatur.

In person appeared before the undersigned, a notary public in and for said county, C. H. Caldwell, who being duly sworn deposes and says:

1st. That he is president of the Flint River Lumber Company, a corporation engaged in the manufacture and shipment of yellow pine lumber, his plant being located at Bainbridge, Georgia; that he will be directly and injuriously affected by the proposed increase in rates of freight on yellow pine lumber destined to Western markets; that he has for the past three years been in a great measure excluded from this market on account of previous increases in rates of freight to said ter-

ritory by these defendants and other lines of railway; that these defendants increased the freight rate on this product to this said Western territory in the year 1899, as follows:

On September 1st, 1899, 1c per 100 pounds;
On October 1st, 1899, 1c per 100 pounds;
On January 1st, 1900, 1c per 100 pounds,

making a total increase of 3 cents per 100 pounds.

2nd. Your deponent further states that he manufactures almost exclusively dressed lumber which is thoroughly kiln dried before shipment and that the freights paid on same to the average Western destination about to about 66 2/3 per cent. of the value of said shipments at his mill.

232 3rd. Your deponent further states that he has invested in machinery and accessories for the production of lumber to the amount of $350,000; that the value of his entire investment will be seriously affected by this increase in lumber rates; that the Western market is very much restricted; that in said Western market competition is met with Northern and Pacific coast weeds, so that the Georgia product is necessarily sold on a very small margin of profit; that the result of an increase in freight rates at this time will be to practically close this market to lumber of low grade—No. 2 common flooring, etc., with the result that he will sustain a great loss on his investment and that the material used in the production of this class of lumber will be rendered valueless and will be left in the woods or consigned to the slab pit.

4th. Your deponent further states that this loss will be made greater because of the fact that the quality of the timber used must be brought into market during the life of present leases and tram roads, by which it is very largely, if not entirely, reached. It not being of sufficient value to again justify putting down tram roads, if same has been once removed. That it is likewise a fact that all of this grade of timber has been boxed for turpentine purposes, and if not removed in the near future, same will be destroyed by fire and winds.

5th. Your deponent further states that the cost of the manufacture of lumber has very materially increased within the past four years in proportion as follows, to-wit: Previous to four years ago a good sawyer could be had for $2.50 per day; now such a sawyer costs your deponent $5 per day.

Planing mill foreman four years ago cost $2.50 per day; now $3 per day. Four years ago foreman of logging department cost $40 per month; now $75 per month. Previous to four years ago the price of sawmill timber per acre was $2; such timber now readily brings upon the market $10 per acre. Four years ago oxen used in logging business cost $40
233 per yoke; they now cost $65. Feed for stock has likewise increased proportionately. That as used by your deponent for oxen only cost $10 per ton, now cost $1; per ton. Four years ago relaying rail used in the construction of tram roads sold at $14 per ton; similar rail now brings on the market $38 per ton.

6th. Your deponent further states that the market value of lumber has not increased in proportion to the increased cost of production, but remains practically the same [as] it was three years ago. During the year 1900 common flooring No. 2 was sold in Chicago at $7.50 at the mill. The same grade of flooring in the same market brings precisely the same thing today.

7th. Your deponent further states that on account of the excessive increase in freight rates, he has been largely excluded from the Western market, and for that reason makes few shipments of rough or green lumber, the principal product which he could move to this territory, and that with the proposed increase in rates, he would be entirely excluded and a large part of the timber which he now manufactures would be left in the woods useless and valueless; that in the shipment of such rough lumber, in addition to the excessive rates, he would be compelled to equip flat cars with bearings, standards and binders, the value of which, together with the freight he would be required to pay on such additional weight, and also the labor of putting such equipment in place would amount to 1 1/2c per hundred lbs. more on such shipments as compared with other commodities as furnished by the railroads for all of which fully equipped cars are furnished.

8th. Your deponent further states that from the
234 territory in the States of Mississippi, Alabama, where the situation is similar to his location, the rate of one cent per hundred pounds less is invariably demanded, no matter what rate may be in effect from his point. This necessarily places him at a disadvantage in competition with mills located in said States.

C. H. CALDWELL.

Sworn to and subscribed before me this 2nd day of May, 1903.

WILL H. KRAUSE,
Notary Public for Decatur Co., Ga.

Filed May 13, 1903.

CECIL MORGAN,
Deputy Clerk.

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240 AFFIDAVIT OF M. F. AMOROUS.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

In Equity.

H. H. Tift, et al.,
vs.
Southern Railway Co., et al. Bill.

State of Georgia,
Fulton County.

In person appeared before the undersigned, Martin F. Amorous, who being duly sworn deposes and says that he is president of the Union-Pinopolis Saw Mill Company, and that the paper attached hereto is the original of letter received by him as president from John M. Cutler, general freight agent of the Georgia Southern & Florida Railway Company, said letter being dated April 7th, 1903, and received by deponent in due course of mail.

M. F. AMOROUS.

Sworn to and subscribed before me this 11th day of May, 1903.

W. B. STOVALL,
Notary Public, Fulton Co., Ga.

Filed May 13th, 1903.

CECIL MORGAN,
Deputy Clerk.

Georgia Southern & Florida Railway Company.
General Freight Department.
Macon, Ga., April 7th, 1903.
Refer to file 8462.

Advance in Rates on Lumber to the West.

Mr. M. F. Amorous,
Pres., Atlanta, Ga.

Dear Sir:

Yours of the 4th. Yes, sir; it has been agreed to advance

the rate on lumber to Chattanooga 2 cents per hundred, effective April fifteenth. So far there has been no discussion as to the advance in the rates to other Southeastern points. The rate to Chattanooga was advanced in order to protect the advanced rate to Pittsburg, Pa., which formerly based on Chattanooga. Yours truly,

JNO. M. CUTLER.
ils General Freight Agent.

April 4, 1903.

Mr. J. M. Cutler,
GFA, GS&F R'y, Macon, Ga.
Dear Sir:

We have received notice that you propose to increase the Chattanooga rate 2c per 100#, effective April 15, 1903.

Is it the purpose of the roads to increase rates to what are known as southeastern points, of which Chattanooga is one? Would like to know as early as possible, as we are constantly quoting on business to Chattanooga and other southeastern points. Very respectfully,

.....
President.

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241 AFFIDAVIT OF GEORGE S. GARDINER.

In the Circuit Court of the United States, Southern District of Georgia, Western Division.

In Equity.

H. H. Tift, et al.,
vs. Bill.
Southern Railway, et al.

State of Mississippi,
County of Jones.

In person appeared before the undersigned notary public, George S. Gardiner, who being duly sworn deposes and says that he has examined the letter designated circular letter #483, issued by J. L. Lincoln, general freight agent, Missouri Pacific Railway Company, dated St. Louis, Mo., February 9, 1903, and that the attached is a true and correct copy of said letter. GEORGE S. GARDINER.

Sworn to and subscribed before me, this 8th day of May, 1903. C. E. BEERS, Notary Public.

Filed May 13th, 1903. CECIL MORGAN, Deputy Clerk.

Form 2370.

The Missouri Pacific Railway Company,
St. Louis, Iron Mountain & Southern Railway Co.,
and
Leased, Operated and Independent Lines.

300
Authority No. 4704.

Circular Letter No. 483.
Advancing Rates on Yellow Pine Lumber.

To Agents and Others Interested:

Effective March 1st, 1903, the rates upon yellow pine lumber from stations on the Iron Mountain road and its connections south of the Arkansas river to St. Louis, Carondolet, Mo., East St. Louis and Cairo, Ill., when for these points proper or for points beyond in the territory north of the Ohio river and on and east of the Mississippi river will be advanced two (2) cents per 100 pounds.

Please advise all parties in interest at once.

(Signed) J. C. LINCOLN,
General Freight Agent,
St. Louis, Mo.

St. Louis, Mo., February 9th, 1903.

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256 Interstate Commerce Commission.

I, Edward A. Moseley, secretary of the Interstate Commerce Commission, do hereby certify that the paper hereto annexed and marked "A" is a correct statement showing average receipts per ton per mile of the Boston & Albany Railroad Company and other companies therein named as set forth and contained in the annual reports of said companies filed with said commission for the years ending June 30th, 1900, June 30th, 1901, and June 30th, 1902, as required by law and now of record in the office of said commission.

In testimony whereof I have hereunto set my hand and affixed the seal of the said commission at the city of Wash-

ington, in the District of Columbia, this 9th day of May, A. D. 1903.

EDW. A. MOSELEY,
Secretary of the Interstate Commerce Commission.

Filed May 13, 1903.

CECIL MORGAN,
Deputy Clerk.

"A."

Statement of Average Receipts Per Ton of Freight Per Mile Copies From Annual Reports of Railways Named, to the Interstate Commerce Commission, for the Years Ending June 30, 1900, 1901 and 1902.

Name of Road.	1900.	1901.	1902.
Lines East of Chicago:	Cents	Cents	Cents
Boston & Albany R. R. Co.	.824	.831	....(1)
Erie R. R. Co..	.588	.615	.664
Lake Shore & Michigan Southern Ry. Co.	.490	.489	.503
Michigan Central R. R. Co.	.570	.604	.648
New York Central & Hudson River R. R. Co.	.558	.575	.632
Pennsylvania Company	.543	.589	.596
Pennsylvania R. R. Co..	.504	.562	.590
Pittsburg, Ft. Wayne & Chicago Ry. Co. (2)	....	....	....
West and Northwestern Lines:			
Chicago & Northwestern Ry. Co..	.837	.863	.824
Chicago, Burlington & Quincy R. R. Co.	.877	.862	.893
Chicago, Milwaukee & St. Paul Ry. Co.	.930	.861	.840
Chicago, Rock Island & Pacific Ry. Co.	.987	1.000	1.034
Chicago, St. Paul, Minn. & Omaha Ry. Co.	.972	.957	.967
Great Northern Ry. Co.	.966	.925	.915
St. Paul, Minneapolis & Manitoba Ry. Co. (3)	....	....	....

Southwestern Lines:			
Atchison, Topeka & Santa Fe Ry. Co.	.930	.837	.926
Chicago & Alton Ry. Co.	.794	.723	.678
Missouri, Kansas & Texas Ry. Co.	.840	.927	.904
Missouri Pacific Ry. Co.	.861	.863	.884
St. Louis & San Francisco R. R. Co.	1.058	1.057	.947
St. Louis, Iron Mountain & Southern Ry. Co.	.780	.783	.786
Southern Lines:			
Chesapeake & Ohio Ry. Co.	.343	.388	.402
Illinois Central R. R. Co.	.650	.619	.622
Louisville & Nashville R. R. Co.	.752	.772	.744
Norfolk & Western Ry. Co.	.430	.461	.463
Southern Ry. Co.	.916	.936	.931
North Carolina R. R. Co. (4)	....	....	....
Georgia Southern & Florida Ry. Co.	1.338	1.237	1.149
Central of Georgia Ry. Co.	1.906	1.064	1.129
Transcontinental Lines:			
Northern Pacific Ry. Co.	.988	.944	.960
Southern Pacific Ry. Co.	.927	.932	.925
Union Pacific R. R. Co.	1.050	1.042	.979

(1) Included in report of New York Central & Hudson River Railroad Company.
(2) Included in report of Pennsylvania Company.
(3) Included in report of Great Northern Railway Company.
(4) Included in report of Southern Railway Company.

257 CERTIFIED EXTRACT FROM STATEMENT SHOWING RATE OF FREIGHT PER TON MILE.

Interstate Commerce Commission.

I, Edward A. Moseley, secretary of the Interstate Commerce Commission, do hereby certify that the papers hereto annexed and marked A, B, C, D, E, F and G, respectively, are statements of statistics correctly transcribed from the annual reports on statistics of railways in the United States, published as official reports by said commission, for the years

ending June 30, 1900, and June 30, 1901; and that the map hereto annexed, showing territorial groups of the United States, marked H, is a correct copy of map contained in each of said official annual reports on statistics of railways in the United States as published by said commission.

In testimony whereof I have hereunto set my hand and affixed the seal of said commission at the City of Washington, in the District of Columbia, this 9th day of May, A. D. 1903.

EDW. A. MOSELEY,
Secretary of the Interstate Commerce Commission.

Filed May 13, 1903. CECIL MORGAN,
Deputy Clerk.

Statement of Revenue Per Ton of Freight Per Mile Deduced From Returns of Railways to the Interstate Commerce Commission, Taken From the Annual Report on Statistics of Railways in the United States for Years Named.

	Year Ending June 30.	
	1900.	1901.
Territory Covered.	Cents.	Cents.
Group I	1.152	1.151
Group II	.613	.646
Group III	.546	.568
Group IV	.595	.641
Group V	.808	.802
Group VI	.806	.789
Group VII	1.064	1.043
Group VIII	.964	.971
Group IX	.938	1.018
Group X	1.067	1.055
United States	.729	.750

Statement of Passengers and Tons Carried By the Railways in the United States As Reported to the Interstate Commerce Commission, Taken From the Annual Report on Statistics of Railways in the United States for Years named.

	Year Ending June 30.	
Item.	1900.	1901.
Passengers reported as carried	576,865,230	607,278,121
Passengers carried 1 mile.	16,039,007,217	17,353,588,444

Revenue per passenger per mile, cents	2.003	2.013
Tons reported as carried	1,101,680,238	1,089,226,440
Tons carried 1 mile	141,599,157,270	147,077,136,040
Revenue per ton of freight per mile, cent	.729	.750

Statement of Revenue Per Passenger, Per Ton of Freight, Etc., Deduced From Returns of Railways to the Interstate Commerce Commission, Taken From the Annual Report on the Statistics of Railways in the United States for the Year Named.

Item.	Year Ending June 30. 1900.	1901.
Revenue per passenger per mile, cents.	2.003	2.013
Revenue per ton of freight per mile, cents	.729	.750
Revenue per train mile, passenger trains.	$1.01.075	$1.02.721
Revenue per train mile, freight trains.	$2.00.042	$2.13.212
Revenue per train mile, all trains	$1.65.721	$1.72.938
Average cost of running a train 1 mile, all trains	$1.07.288	$1.12.292
Percentage of operating expenses to operating income	64.65	64.86

Interest Accrued and Dividends Declared on the Railway Capital Reported to the Interstate Commerce Commission, Taken From the Annual Report on Statistics of Railways in the United States for Years Named.

Item.	Year Ending June 30. 1900.	1901.
Interest on funded debt accrued.	$252,949,616	$262.094,838
Dividends declared	139,597,972	156,735,784
Per cent. of interest accrued	4.33	4.34
Per cent. of dividends declared on dividend paying stock	5.23	5.26
Gross earnings per mile of line operated	$ 7,722	$ 8,123
Percentage of operating expenses to operating income	64.65	64.86

Earnings From Operation of the Railways in the United States Reported to the Interstate Commerce Commission, Taken From the Annual Report on Statistics of Railways in the United States for Years Named.

	Year Ending June 30. 1900.	1901.
Passenger service	$ 398,045,285	$ 429,134,462
Freight service	1,052,602,230	1,122,608,471
Other earnings from operation	36,397,294	36,783,104
Total earnings from operations	1,847,044,814	1,588,526,037
Income from operation	525,616,303	558,128,767

Includes $114,377 unclassified earnings.
Includes $54,000 unclassified earnings.

Railway Mileage in the United States, the Operation of Which Were Reported to the Interstate Commerce Commission Taken From the Annual Report on Statistics of Railways in the United States for Years Named.

Year Ending June 30.	Total Mileage Operated.	Increase.
United States, 1900	192,556.03	5,021.35
United States, 1901	195,561.92	3,005.89
Group V, 1900	21,494.20	953.82
Group V, 1901	22,021.97	527.77

Number of Locomotives and Cars in the Service of the Railways in the United States, Reported to the Interstate Commerce Commission, Taken From the Annual Report on Statistics of Railways in the United States for Years Named.

Group V.

Item.	Year Ending June 30. 1900.	1901.
Locomotives	2,786	3,009
Cars:		
Passenger	2,595	2,623
Baggage, express and postal	.....	.....
Freight	89,887	96,931

259 CERTIFIED EXTRACTS SHOWING CAPITAL STOCK OF THE VARIOUS SOUTHERN RAILROADS.

Interstate Commerce Commission.

I, Edward A. Moseley, secretary of the Interstate Commerce Commission, do hereby certify that the papers hereto annexed, marked A and B, respectively, are correct statements showing the capital stock, the funded debt, gross earnings, operating expenses, income from operations, income from other sources, total income, total deductions from income, net income, dividends and surplus of the Atlantic Coast Line Railroad Company, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway and Southern Railway Company, as set forth and contained in annual reports filed by said companies with said commission for the years ending June 30, 1901, and June 30, 1902, as required by law and now of record in the office of said commission.

In testimony whereof I have hereunto set my hand and affixed the seal of the said commission at the City of Washington, in the District of Columbia, this 9th day of May, A. D. 1903.

EDW. A. MOSELEY,
Secretary of the Interstate Commerce Commission.

Filed May 13, 1905.

CECIL MORGAN,
Deputy Clerk.

A

Statement of Data Transcribed from the Annual Reports of the Railways Named to the Interstate Commerce Commission for the Years Ending June 30, 1901 and 1902.

Item	Atlantic Coast Line		Central of Georgia Railway Co.		Georgia Southern & Florida Railway Co.	
	1901	1902	1901	1902	1901	1902
Capital Stock:						
Common	$15,890,200	$23,150,000	$ 5,000,000	$ 5,000,000	$ 1,000,000	$ 1,000,000
Preferred	18,850,000	18,850,000	.....	.....	1,768,000	1,768,000
Funded debt	24,526,500	24,526,500	48,703,275	49,324,769	3,838,000	3,838,000
Leaseholds						
Gross Earnings	7,915,099	8,549,526	6,803,002	7,612,666	1,206,256	1,254,200
Operating expenses	4,644,829	4,738,987	4,660,435	5,393,014	865,591	915,012
Income from operation	3,270,270	3,810,539	2,142,567	2,219,652	340,665	339,188
Income from other sources	62,916	61,626	187,359	201,674	12,789	14,089
Total income	3,333,186	3,872,165	2,329,926	2,421,326	353,454	353,277
Total deductions from income	1,567,528	1,595,453	2,128,575	2,298,386	230,048	234,268
Net income	1,765,658	2,276,712	201,351	122,940	123,406	119,009
Dividends:						
Common stock	397,255	556,157	.....	.....	.....	.....
Per cent	2.50	2.40	.....	.....	.....	.....
Preferred stock	931,008	942,500	.....	.....	99,240	77,560
Per cent	5.00	5.00	.....	.....	5.61	4.39
Surplus	437,395	778,055	201,351	122,940	24,166	41,449

Statement of Data Transcribed from the Annual Reports of the Railways Named to the Interstate Commerce Commission for the Years Ending June 30, 1901 and 1902—Continued.

Item	Louisville & Nashville Railroad Co.		Nashville, Chattanooga & St. Louis Ry. Co.		Seaboard Air Line Railway.		Southern Railway Co.	
	1901	1902	1901	1902	1901	1902	1901	1902
Capital stock:								
Common	$55,000,000	$60,000,000	$10,000,000	$10,000,000	$37,500,000	$37,500,000	120,000,000	120,000,000
Preferred	.....	.....	.....	.....	25,000,000	25,000,000	60,000,000	60,000,000
Funded debt	89,667,660	88,988,660	16,021,000	16,021,000	54,948,913	55,014,813	132,899,570	136,568,998
Leaseholds								
Gross earnings	28,199,113	30,870,534	7,579,959	7,952,478	10,184,614	10,922,495	23,275,304	25,625,444
Operating expenses	18,396,919	21,018,588	5,110,613	5,622,114	7,159,755	7,183,817	34,642,969	37,701,673
Income from operation	9,802,194	9,851,946	2,469,346	2,330,364	3,024,859	3,738,678	11,367,665	12,076,229
Income from other sources	796,797	1,047,400	61,910	58,183	20,503	67,247	498,706	824,509
Total income	10,598,991	10,899,346	2,531,256	2,388,547	3,045,362	3,805,925	11,866,371	12,900,738
Total deductions from income	6,775,909	6,245,867	1,857,363	1,822,836	2,784,062	3,030,023	8,325,871	9,299,841
Net income	3,823,082	4,653,479	673,893	565,711	261,300	775,902	3,540,500	3,606,897
Dividends:								
Common stock	2,695,000	2,875,000	.....	.....	.....	.....	.....	.....
Per cent	5.00	5.00	.....	.....	.....	.....	.....	.....
Preferred stock	.....	.....	.....	.....	8,623	6,571	2,400,000	1,500,000
Per cent	....	....	.....	.....	.....	.....	4.00	2.50
Surplus	1,128,082	1,778,479	673,893	565,711	252,677	769,331	1,140,500	2,100,897

"Monthly account of guaranteed dividend on S. & R. R. R. guaranteed and second preferred stock."

262 CERTIFIED EXTRACT FROM REPORT SHOWING HOLDING OF G. S. & F. RY. STOCK BY SO. RY.

Interstate Commerce Commission.

I, Edward A. Moseley, secretary of the Interstate Commerce Commission, do hereby certify that the paper hereto annexed and marked A is a correct statement showing the ownership by the Southern Railway Company of capital stock of the Georgia Southern & Florida Railway Company as set forth and contained in the annual report of said Southern Railway Company filed with said commission for the year ending June 30, 1902, as required by law and now of record in the office of said commission.

In testimony whereof I have hereunto set my hand and affixed the seal of said commission at the City of Washington, in the District of Columbia, this 9th day of May, A. D. 1903.

EDW. A. MOSELEY,
Secretary of the Interstate Commerce Commission.

The annual report of the Southern Railway Company for the year ending June 30, 1902, to the Interstate Commerce Commission, shows the ownership of capital stock of the Georgia, Southern & Florida Railway Company to the amount of $1,175,000.00 par value.

Filed May 13, 1903. CECIL MORGAN,
Deputy Clerk.

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265 CERTIFIED EXTRACT SHOWING RATES ON LUMBER AUG. 5, 1893 AND NOV. 10, 1893, FROM CORDELE, GA., AND OTHER POINTS TO BALTIMORE AND OTHER POINTS VIA G. S. & F.

Interstate Commerce Commission.
Washington.
Secretary's Office.

I, Edward A. Moseley, secretary of the Interstate Commerce Commission, do hereby certify that the statement hereunto annexed shows rates in cents per hundred pounds on lumber

from and to the points and via the railroad and on the dates specified therein, said rates having been copied from the schedule of rates, fares and charges filed with said Interstate Commerce Commission by the common carrier named in said statement in pursuance of the requirements of section six of the act to regulate commerce.

In witness whereof I have hereunto set my hand and affixed the seal of said commission this day of May, A. D. 1903.

EDWARD A. MOSELEY,
Secretary of the Interstate Commerce Commission.

Interstate Commerce Commission.

Auditor's Office, May 8, 1903.

Statement Showing Rates on Lumber on August 5, 1893, and November 10, 1893, From Cordele, Tifton and Group I to Points Shown Below, Via Ga. So. & Fla. Ry.

Rates in Cents Per 100 Pounds.
From Cordele, Tifton and Group 1.

To	August 5, 1893. Min. wt. 24,000.
Chattanooga, Tenn	..
Nashville, Tenn	14
Ohio river.	
Cairo, Ill	16
Louisville, Ky	18
Cincinnati, Ohio	20
Memphis, Tenn	17
Chicago, Ill	24
St. Louis, Mo	20
Detroit, Mich	28

To	November 10, 1893. Min. wt. 24,000 lbs.
Baltimore, Md	29
Alexandria, Va	25 1/2
Norfolk, Va	24
Portsmouth, Va	24
Richmond, Va	24
Lynchburg, Va	24

Note—
Group 1—Solkee to Mineola, Ga., inclusive;
Group 2—Valdosta to New River, Fla., inclusive;
Group 3—Sampson City to Baywood, Fla., inclusive.

Group 2—One cent above rates shown;
Group 3—Two cents above rates shown.

Filed May 13, 1903. CECIL MORGAN,
Deputy Clerk.

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266 CERTIFIED EXTRACT SHOWING AVERAGE RECEIPTS PER TON OF FREIGHT PER MILE.

Interstate Commerce Commission.

I, Edward A. Moseley, secretary of the Interstate Commerce Commission, do hereby certify that the paper hereto annexed and marked A is a correct statement of the average receipts per ton per mile of the Atlantic Coast Line Railroad Company and other companies therein named as set forth and shown in the annual reports of said companies filed with said commission for the year ending June 30, 1902, as required by law and now of record in the office of said commission.

In testimony whereof I have hereunto set my hand and affixed the seal of the said commission at the City of Washington, in the District of Columbia, this 9th day of May, A. D. 1903. EDW. A. MOSELEY,
Secretary of the Interstate Commerce Commission.

A.

Statement of Average Receipts Per Ton of Freight Per Mile, Copied From Annual Reports of the Railways Named, to the Interstate Commerce Commission for the Year Ending June 30, 1902.

Name of Road.	Average Receipts Per Ton Per Mile. Cents.
Atlantic Coast Line R. R. Co.	1.375
Central of Georgia Ry. Co.	1.129

Georgia Southern & Florida Ry. Co.	1.149
Louisville & Nashville R. R. Co.	.744
Nashville, Chattanooga & St. Louis Ry. Co.	.890
Seaboard Air Line Ry.	1.068
Southern Ry. Co.	.931

Filed May 13, 1903. CECIL MORGAN,
Deputy Clerk.

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357 CERTIFICATE OF J. M. SMITH.

Statement of Rates on Lumber From Points in Arkansas on the St. Louis & Southwestern and St. L. I. N. and S., Southwest of Rob Roy and Jacksonville, to Cairo, Ill., Proper and for Beyond.

Date Effective.	Authority.	Rate.
Effective Feb. 15, 1889.	Auditor's file No. 2570 for St. L. I. M. & S. and July 18, 1890.	13
	Auditor's file No. 2209, for St. L. Southwestern Ry.	
Effective Sept. 1, 1899.	Sup. 21, to ICC 622	14
Effective April 15, 1903.	Sup. 9 to ICC 1662	16

I hereby certify that these rates have been taken from the records of the Interstate Commerce Commission and are correct as shown by the tariffs. J. M. SMITH,
Auditor Interstate Commerce Commission.

Filed May 14, 1903. CECIL MORGAN,
Deputy Clerk.

391 AFFIDAVIT OF W. L. McGILL.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division, at Macon.

Bill for Injunction and Relief.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway, et al.

State of Georgia,
County of Fulton. ss.

Personally appeared W. L. McGill, who being duly sworn, deposes and says on oath that he is employed as secretary of the Southeastern Freight Association and supervises the compilation, publication, filing and distribution of freight rates, rules and regulations. Deponent gives personal attention to all the separate, written declarations from members of said association regarding the establishment or changes of rates by or from said members. Deponent does not and has not referred to any rate clerks in the office of said association any paper from which to issue rates, except a separate, written independent and signed declaration forwarded to S. F. Parrott, as chairman, by the rate-making officer of a member of said association. Deponent says he has personally examined and inspected every freight tariff, rate, rule or regulation compiled, published, filed and distributed since the articles of association of August 13th, 1902, became effective and that each and every tariff, rate, rule or regulation as aforesaid were compiled, published and filed upon the separate declaration of each member.

392 Deponent further says that the actual work of rate compilation, publication and filing is done by four rate clerks, with such assistance as is necessary, and the names of said rate clerks are John H. Glenn, chief clerk; Frank L. Glover, J. M. Crute and T. J. Bacon.

W. L. McGILL.

Sworn to and subscribed before me this 11th day of May, A. D. 1903.

JULIAN G. EDWARDS,
Notary Public, Fulton Co., Ga.

Filed May 14th, 1903.

CECIL MORGAN,
Deputy Clerk.

399 AFFIDAVIT OF JOHN H. GLENN, ET AL.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division, at Macon.

Bill for Injunction and Relief.

H. H. Tift, et al.,
vs.
Southern Railway, et al. In Equity.

State of Georgia,
County of Fulton. ss.

Personally appeared John H. Glenn, Frank L. Glover, J. M. Crute and T. J. Bacon, who being duly sworn, depose and say on oath as follows:

That they are employed by Mr. S. F. Parrott, chairman of the Southeastern Freight Association, and it is their work to actually compile, publish, file and distribute all freight rates, rules and regulations, in conjunction with necessary assistants, for said S. F. Parrott, chairman, as aforesaid.

The duties of John H. Glenn, chief clerk, are in a large part supervisory. He actively assists, when necessary, in the compilation, publication and distribution of said freight rates, rules and regulations.

Frank L. Glover, J. M. Crute and T. J. Bacon are rate clerks, and are supplied with assistants, when necessary, and each of said four deponents depose and say that since the articles of association of August 13th, 1902, became effective, they have not compiled, published, filed or distributed a
400 freight tariff, rate, rule or regulation, except upon the separate, written, independent and signed declaration of a member of said association, nor have they had any authority or received any instructions to compile, publish, file or distribute any freight tariff, rate, rule or regulation in the name of S. F. Parrott, chairman of Southeastern Freight Association, in any other manner, shape or form or from any other or different authority than hereinbefore set forth.

JOHN H. GLENN,
FRANK L. GLOVER,
J. M. CRUTE,
T. J. BACON.

Sworn to and subscribed before me this 11th day of May, A. D. 1903.

JULIUS G. EDWARDS,
N. P., Fulton Co., Ga.

Filed May 14th, 1903.

CECIL MORGAN,
Deputy Clerk.

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416 CERTIFICATE AS TO RATES BY J. M. SMITH, AUDITOR, INTERSTATE COMMERCE COMMISSION.

Statement of Rates on Lumber From Points in Mississippi on the M. & O. R. R. and I. C. R. R., South of Meridian and Jackson, Miss., to Cairo, Ill.,
(Proper and Beyond.)

Dates in Effect.	Authority.	Rate.
Prior to May 10th, 1894, for M&O RR and May 1st for IC RR.	M&O RR ICC No. 6 and: Auditor's file 9504	: 16
Effective May 10th, 1894, for M & O RR and May 1st 1894 for IC RR	M&O ICC No. 47 and IC: RR Tariff No. M-403 Aud.: File No. 9607	: 13
Effective Sept. 7th, 1899, for M&O RR and Sept. 8th, 1899 for IC RR.	M&O RR Sup. 38 to ICC: 897 IC RR ICC No. B-842:	14
Effective April 15th, 1903	M&O RR Sup. 3 to ICC: 2765 IC RR ICC No. 1850:	16

I hereby certify that these rates have been taken from the records of the Interstate Commerce Commission, and are correct as shown by the tariffs.

J. M. SMITH,
Auditor, Interstate Commerce Commission.

Filed May 14th, 1893; Cecil Morgan, Deputy Clerk.

487 OPINION.

(May 16th, 1903.)

In the Circuit Court of the United States for the Western Division of the Southern District of Georgia.

H. H. Tift,
vs.
Southern Railway Company, et al.

SPEER, Judge:

This is a case of no less novelty than importance. The evidence relating thereto offered in the form of affidavits, is voluminous and conflicting. The arguments have been of unusual earnestness and ability; the hearing is in its nature preliminary in its character, and the necessity for expidition of judgment is very great.

The Court has no doubt of its jurisdiction to restrain the enforcement of rates made in violation of the Interstate Commerce Law, or otherwise as a result of a combination in restraint of trade as denounced by the laws of the United States in any case where the essential technical features of Circuit Court jurisdiction in equity appear, and where under the general doctrines, a court of equity should intervene. Here the complainants' bill with amendments shows not only a jurisdiction of the United States Court, for the reason that a federal question is involved, but also the amount involved necessary and such a necessity to prevent or avoid a multiplicity of suits as will authorize the interposition of a court of equity. It cannot, we think be successfully contended that a Circuit Court of the United States is powerless to intervene to arrest action which is plainly in violation of the national law, and of which irreparable injury and multiplied continu-

488 ous, vexatious and ineffective litigation will in the absence of such interposition be the inevitable result. It is also competent for a court of equity to so frame its orders as to secure to both parties the fullest hearing and freest investigation, and at the same time in proper case, to restrain irrpearable [irreparable] injury. Here also the necessity of expidition in the judgment of the court is of the first importance. The interests in issue are so erroneous and the alleged rights of the complainants and of the great lines of transportation who are the defendants of such consequence, that the Court is convinced it should have the assistance of every in-

strumentality [instrumentality] provided by the national law for the investigation and determination of such controversies. There are cases of open and palpable wrong where it will not, we think, be judicially questioned that the courts will be justified in immediate and direct action. We are not satisfied that this is a case of that character. The Government has offered to those engaged in the commerce of the country, through several bureaus, agencies for the ascertainment of truth and as a consequence of justice. Of these unquestionably the most important is the Interstate Commerce Commission. It has been entrusted by law with the special duty of ascertaining the reasonableness or unreasonableness of rates of transportation lines engaged in interstate and foreign commerce. Its findings are of great value in judicial investigations and must be accepted by the Courts as prima facie correct. In no case, however, as we are advised has that commission undertaken to determine a question of this character until the rates have been actually enforced. Here the complainants have intervened and secured an order, restraining the enforcement of the rates which they have been appraised; it is the intention of respondents to make effective. These rates are not therefore effective, and it is presumable that under the circumstances, the commission will take
489 no action until the rates are actually put into operation. It would doubtless have been better practice if the complainants here had first made application to the commission to redress the grievances of which they complain and then pending, that application to have invoked the powers of this Court to restrained [restrain] the alleged wrong until the commission could have acted. They have gone forward here, however, and with the co-operation of the defendants, and at their express instance the case has been heard not on the demurrer to the jurisdiction of the Court separately, but on the demurrer's answers and affidavits with large expense to the parties, and much labor to all concerned, the case is fully before the Court. It would seem scarcely just to make order which will deprive the parties of all this preparation of evidence, and the Court of the assistance which has been afforded. In view therefore, of the considerations herein set forth, the Court will hold first, that it has jurisdiction to grant the relief sought, if finally satisfied, of the righteousness of complainants' demand, secondly, that the demurrer interposed for the purpose of this hearing will be overruled and the bill with amendments retained on the files of the Court; third, that the temporary injunction will be dissolved; and

fourth, in case the respondents shall enforce the rates complained of, and the complainants shall make proper application to the Interstate Commerce Commission to redress their alleged grievance, the Court will entertain a renewed application on the record as made, and such appropriate additions thereto as may be proper by either party, to enjoin the enforcement of such rates, pending the investigation by the commission (unless otherwise dissolved). On the presentation to the Court of the report of the commission, such other action will be taken as will be conformable to law and the principles of equity.

Filed May 16th, 1903; CECIL MORGAN, Deputy Clerk.

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490 INTERLOCUTORY DECREE.

(May 16th, 1903.)

In the Fifth Circuit Court of the United States, for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Company, et al.

The above stated cause coming on to be heard under the rule issued to show cause why an injunction should not be issued as prayed in the bill, and to be heard upon the demurrer to the bill, and the response of the defendants to the rule.

And evidence having been submitted, and the case argued by counsel for the respective parties:

It is thereupon and in consideration thereof, ordered and decreed by the Court, as follows:

1. That the Court has jurisdiction to grant relief sought if finally of the righteousness of complainants' demand.

Secondly: That the demurrer interposed for the purpose of this hearing is hereby overruled, and the bill with amendments is retained in the files of the Court.

Third: That the temporary injunction is hereby dissolved.

Fourth: In case the respondents shall enforce the rates complained of, and the complainants shall name proper application to the Interstate Commerce Commission to redress their alleged grievances, the Court will entertain a renewed application on the record as made, and such appropriate additions thereto as may be proposed by either party enjoining the enforcement of such rates, pending the investigation of the commission, unless otherwise dissolved, and on presentation to the Court of the report of the commission, such other
491 action be taken as will be conformable to law and the principles of equity.

In open Court, this May 16th, A. D. 1903.

EMORY SPEER.
U. S. Judge.

Endorsement: No. 514. United States Circuit Court, Western Division, Southern District of Georgia. H. H. Tift, et al, vs. Southern Railway Company, et al. Interlocutory Decree. Filed May 16th, 1903. Cecil Morgan, Deputy Clerk.

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492 JOINT AND SEVERAL ANSWERS OF THE SOUTHERN RAILWAY CO.

In Equity.

In the Fifth Circuit Court of the United States, of the Southern District of Georgia.

The joint and several answer of the Southern Railway Company, a corporation and citizen of the State of Virginia (erroneously sued by the name of the Southern Railway); the Atlantic Coast Line Railroad Company, a corporation and citizen of the State of Virginia, and not of the State of South Carolina, as erroneously stated in the bill; the Louisville & Nashville Railroad Company, a corporation and citizen of the State of Kentucky; the Nashville, Chattanooga & St. Louis Railway, a corporation and citizen of the State of Tennessee, (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company); the Seabord Ail Line Railway, a corporation and citizen of the States of Virginia and North Carolina (erroneously sued as the Seaboard Air Line Company, and erroneously described as a corporation and citizen of the State of Virginia, alone); the Central of Georgia Railway Com-

pany, a corporation and citizen of the State of Georgia; the Georgia Southern & Florida Railway Company, a corporation and citizen of the State of Georgia; the Macon & Birmingham Railway Company, a corporation and citizen of the State of Georgia, to the bill filed in the Fifth Circuit Court of the United States, for the Southern District of Georgia, in equity, by H. L. Tift, et al., against these respondents and others.

These respondents respectively, not waiving the benefit of the demurrer heretofore filed by them, and overruled by the Court, and now and at all times hereafter, saving to themselves the benefit of said demurrer, and of all and all manner of benefit or advantage of exception or otherwise that can or may be had or taken to the many errors, uncertainties and imperfections in the said bill contained, for answer thereto or to so much thereof as these defendants are advised; it is material or necessary for them to make answer to, severally answering, say:

493 Respondents admit that the Southeastern Freight Association is a voluntary association with its principal office in the City of Atlanta, State of Georgia. They deny that respondent, the Nashville, Chattanooga & St. Louis Railway is a member of said Association; and they deny that respondent, the Louisville & Nashville Railroad Company is (except in its character as co-lessee with respondent the Atlantic Coast Line Railroad Company of the Georgia Railroad), a member of said Association. They aver that the following named railroad companies and steamship companies are the only companies which compose said Association, viz:

Atlanta & West Point R. R.; Atlanta, Knoxville & Northern Railway Co.; Atlantic Coast Line Railroad Co.; Baltimore Steam Packet Co.; Brunswick & Birmingham Railway Co.; Central of Georgia Railway Co.; Charleston & Western Carolina Railway Co.; Chesapeake Steamship Co.; Clyde Lines; Columbia, Newberry & Laurens Railroad; Florida East Coast Railway Company; Georgia, Florida & Alabama Railway Co.; Georgia Southern & Florida Ry. Co.; Jacksonville & Southwestern Railroad Co.; Macon & Birmingham Railway Co.; Merchant & Miners Transportation Co.; New York & Texas Steamship Co.; Norfolk & Western Railway Co.; Ocean Steamship Co. of Savannah; Old Dominion Steamship Co.; Seaboard Air Line Railway; Southern Railway Co.; Virginia & Southwestern Railway Co.; Western & Atlantic R. R.; Western Railway of Alabama; Wrightsville & Tennille R. R. Co.

Respondents admit that complainants and other manufacturers of yellow pine lumber in the State of Georgia, Florida, South Carolina and Alabama, exceeding one hundred and fifty in number, constitute the membership of the Georgia Saw Mill Association, which is a voluntary association; but respondents deny that said Georgia Saw Mill Association is organized or maintained for promoting or protecting by proper and lawful means the interests of the yellow pine lumber industry in the states named or elsewhere. On the contrary,
494 respondents aver that complainants and the other members of said Georgia Saw Mill Association have combined and conspired to and with each other, to monopolize a part of the trade or commerce in yellow pine lumber among the several states of the United States of America; that they are attempting to monopolize, and do in fact monopolize a part of said trade or commerce; and that they are operating under a contract, combination in the form of trust or otherwise, in restraint of trade or commerce in yellow pine lumber, among the several states of the United States; that said contract, combination in the form of trust or otherwise, or conspiracy, is evidenced in part by a paper known as the "Constitution and By-Laws of the Georgia Saw Mill Association, composed of yellow pine manufacturers and planing mill owners in Georgia, Alabama, Florida and South Carolina. Headquarters, Tifton, Georgia;" a correct copy of which is here filed marked Exhibit No. 1, and prayed to be taken as part hereof, as fully as though set forth herein, but it need not be copied unless called for. Said constitution and by-laws provide, among other things, that "all persons, partnerships or corporations, owning saw mill plants in the States of Georgia, Florida, South Carolina and Alabama, who shall subscribe their names hereto, shall become members of the Association. By saw mill owners, is meant those who are personally owning and operating saw mills, and no other persons having less than an invested interest of $50,000.00, in a saw mill, shall be eligible to membership."

x x x x x "The prices on all lumber and other building material handled by saw mills belonging to the Association are to be made by the Association as heretofore, and the price lists and information sent out by the Secretary as in the past"

Respondents aver that said constitution and by-laws
495 constitute a contract, combination in the form of trust or otherwise, or conspiracy between the members of said Association for the sale and transportation to other

states of the United States of the yellow pine lumber manufactured by the members of said Association in the States of Georgia, South Carolina, Florida and Alabama; that the natural and direct effect of said constitution and by-laws is to regulate and restrain interstate commerce in the yellow pine lumber manufactured by the members of said Association; that complainants and other members of said Association are acting in violation of the Act of Congress, of July 2, 1890, 26 Statutes at large, 209 entitled, "An act to protect trade and commerce against unlawful restraints and monopolies;" and respondents are advised and insist that as complainants do not come into this Court of equity with clean hands, they will not be allowed to maintain the bill filed in this case; and respondents rely upon this defense as fully as though it were specially pleaded.

II.

Respondents admit that they and each of them, are common carriers engaged among other things, in interstate commerce, by the transportation of lumber from points within, to points without the State of Georgia; and that each of them maintains and operates a line or lines of railway with the State of Georgia, employed in such transportation of articles of commerce between the states, (except that respondent, the Louisville & Nashville Railroad Company, does not maintain or operate any line of railway within the State of Georgia other than the Georgia Railroad, which is operated by respondents, the Louisville & Nashville Railroad Company and the Atlantic Coast Line Railroad Company as co-lessees thereof).

They deny that respondent, the Nashville, Chattanooga & St. Louis Railway is a member of the Southeastern Freight Association; and they deny that respondent, the Louisville & Nashville Railroad Company is, (except in its character as co-lessee with respondent, the Atlantic Coast Line Railroad Company of the Georgia Railroad), a member of
496 said Association.

Respondents deny that said Southeastern Freight Association was organized, or is maintained under agreements or for purposes which constitute an illegal combination in restraint of interstate trade, or for the fostering of monoply in destruction of fair competition among carriers engaged in interstate trade. Respondents aver that said Association was organized and is maintained under "Articles of Association of the Southeastern Freight Association, (printed and distributed

October 4, 1902;" and a true copy of said articles is here filed, marked Exhibit No. 2, and prayed to be taken as part hereof, as fully as though set forth herein, but it need not be copied, unless called for. Respondents are advised and insist that said Articles of Association contain no agreement, and indicate no purpose which constitutes an illegal combination in restraint of interstate trade, or for the fostering of monopolies in destruction of fair competition among carriers engaged in interstate trade. Respondents are advised and insist that the agreements contained in said Articles of Association and the purposes indicated thereby are in all respects legal, and that they do not violate any of the provisions of said Act of Congress, of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraint and monopoly," or any of the provisions of the Act of Congress, of February 4, 1887, or of its amendments, entitled "An Act to regulate commerce;" or any of the provisions of any other act of Congress or of the common law.

Respondents are advised and insist that this Court has no jurisdiction to decree that said Southeastern Freight Association is an illegal organization, and to order its dissolution, except under a bill filed by the District Attorney, of the United States, under the direction of the Attorney General. Respondents aver that the bill in this case in not filed by the District Attorney of the United States, nor under the direction of the Attorney General. Respondents are further advised and insist that this Court has no jurisdiction
497 to decree that said Southeastern Freight Association is an illegal organization and to order its dissolution without having all the members of said Association before the Court. Respondents aver that the Atlanta & West Point Railroad; the Atlanta, Knoxville & Northern Railway Co.; the Baltimore Steam Packet Co.; the Brunswick & Birmingham Railway Co.; the Charleston & Western Carolina Railway Co.; the Chesapeake Steamship Co.; the Clyde Lines; the Columbia, Newberry & Laurens Railroad Co.; the Florida East Coast Ry.; the Georgia Railroad; the Georgia, Florida & Alabama Railway Co.; the Jacksonville & Southwestern Railway Co.; the Merchants & Miners Transportation Co.; the New York & Texas Steamship Co.; the Norfolk & Western Railway Co.; the Ocean Steamship Company of Savannah; the Old Dominion Steamship Co.; the Virginia & Southwestern Ry. Co.; the Western & Atlantic Railroad; the Western Railway of Alabama; and the Wrightville & Tennille R. R. Co.; are members of said Southeastern Freight Associa-

tion, and none of them are parties to this suit. Respondents rely upon said defenses of want of jurisdiction as fully as though they were specially pleaded.

III.

Respondents admit that each of them did, in the exercise of its own judgment, severally give notice that on April 15th, 1903, a revised tariff of freight rates on lumber from points of shipments in the State of Georgia to Chattanooga, Tennessee, and to points on the Ohio River and beyond, would be put into effect, whereby the existing rate on yellow pine lumber from and to the points designated in said several revised tariffs would be increased two cents a hundred pounds; and respondents admits that such increased rate would have been put into effect had it not been for the restraining order granted in this case.

Some of the respondents' respective tariffs included
498 rates only from points of shipments in the State of Georgia; while other of respondents' respective tariffs included rates not only from points in Georgia, but also from points in Florida, Alabama and Mississippi.

Respondents deny that in promulgating any or either of said several tariffs of increased rates, the several respondents or any or either of them were are acting in concert with each other, or with any other lumber carrying road or roads that are members of said Southeastern Freight Association, or in pursuance of any unlawful agreement, or agreements, between said railway companies, or any of them, in restraint of competition or of interstate trade.

The Articles of Association of the Southeastern Freight Association, a copy of which has been hereinbefore filed as Exhibit No. 2, provide among other things, that "nothing herein contained shall be so construed as to confer upon a majority, or any number of members of this Association, the power or authority to make rates or tariffs upon the line of any other member of this Association, or to make joint rates or tariffs for any other member. Nothing herein contained shall be so construed as to confer upon the Executive Board, or the Conference Committee, or the Chairman of the Association, or the Chairman of the Executive Board, or upon any other committee or officer of this association, the power or authority to make rates or tariffs upon the line of any member of this Association or to make joint rates or tariffs for any member of this Association; it being distinctly understood that

each member of this Association expressly reserves to itself the exclusive power to make rates and tariffs on its own line, and to itself and its connections the exclusive power to make joint rates and tariffs, free from the dictation or control of any other member or members."

Said Southeastern Freight Association has no power to make or change rates of freight; and it does not exercise
499 or attempt to exercise any such power. It is a convenient medium for the exchange of views between the traffic officials of the different members, with respect to frieght rates, and traffic rules and regulations; but that is all.

The Chairman of said Association has no control over or connection with the making of rates, or the maintaining of same; and he only compiles, issues and distributes rates, when, and, as instructed by a member of said Association; and then only on behalf of the member giving such instructions.

Neither said Association, nor its Chairman exercises, nor can either of them exercise, any power or control over the rates, or over the traffic policy of any member of said Association. All such authority rests with the individual officers of each company. There is no understanding or agreement, express or implied, written or oral, existing between any two or more members of said Association, by which the rates of any member are to be changed, or are in fact changed, to conform to the rates of any other member; on the contrary, the traffic officers of each member are free at all times to change its tariffs and rates, except in so far as they are restricted by State or interstate law.

In the matter of increased rates on lumber, no member of said Association has acted in concert with any other member; nor has any member of said Association increased its rates on lumber through said Southeastern Freight Association. On the contrary, each member of said Association, in the matter of increasing its rates on lumber, has acted independently, and for itself alone.

Each member of said Association, actually as well as nominally, fixes its own rates and promulgates its own tariffs. No
member is bound by any contract or understanding,
500 written or oral, to change its rates so as to conform to the rates of other members. There is no agreement or understanding, of any kind, by which any one or more members of said Association, can fix or influence the rates of any other member or members of said Association.

In matters pertaining to the adjustment of rates, discussed

at meetings of said Association, and in correspondence connected with such matters, each member of said Association, at all times, pursues an entirely independent course, and has no understanding of any kind whatsoever, which permits the fixing of its rates by any other member or members.

Respondents aver that the revised tariffs referred to in Section 3, of the bill in this case, were respectively and severally made by respondents and their connections, free from the dictation or control of any member or members of said Southeastern Freight Association.

IV.

Respondents deny that the rights and interests of complainants, or of any others engaged in the lumber trade in the State of Georgia, will be vitally or injuriously affected by the purposed increase of rates; on the contrary, respondents aver that complainants, and all other persons engaged in the lumber trade in the State of Georgia, will add the amount of the proposed increase of rates to the prices which they will charge purchasers for the lumber; and therefore, the rights and interests of complainants, and of others engaged in the lumber trade in the State of Georgia, will not be injuriously affected at all.

Respondents deny that said proposed increase of the lumber rates is unjust, unreasonable or arbitrary; or that it will prove destructive or even detrimental to the business of complainants; or that it will defeat or even restrict competition within the territory comprised of Ohio River points and points beyond in the Central, Northern and Western States; or
501 that it will impose upon the yellow pine industry a burden out of line with or more grievous than that sustained by the products of other industries of like weight and value. On the contrary, respondents aver that the said proposed increase of the lumber rates is just and reasonable; and that the circumstances and conditions now affecting the lumber traffic fully justify respondents and their connections in making said proposed increase.

Respondents admit that there is invested by complainants, and other members of the Georgia Saw Mill Association, in the production and manufacture of yellow pine lumber, a large amount of money; but whether said amount approximates ten millions of dollars, respondents have no knowledge, information or belief. Respondents have no knowledge, information or belief as to the amount of the annual out-put of

complainants, and other members of the Georgia Saw Mill Association, nor as to the value of said out put at the mills or elsewhere. Respondents admit that not less than three hundred million feet of lumber are shipped to North-Central and Western points, from the State of Georgia alone, and respondents' information and belief is that said three hundred million feet of lumber is of the value of more than two and one-half million dollars; they believe its value to be nearer three million dollars. Respondents deny that any portion of said three hundred million feet will be directly or injuriously affected by said proposed increase in rates. As to what the increase of two cents a hundred pounds on lumber shipped to North-Central and Western points will amount to, will depend, of course, upon the quantity, quality and condition of the lumber that may be shipped; and respondents have no means of anticipating either of these facts.

V.

Respondents again deny that proposed increase in lumber rates is either unjust, unreasonable or arbitrary.

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. Respondents admit that the existing rates on lumber yield some profit to the carrier, but they deny that lumber is a very profitable commodity to the carrier, or that it is the most profitable of any freight originating in the Southern territory, value, tonnage and cost of handling considered. The present rates on lumber, value and tonnage furnished, considered, are low as compared with the rates on other commodities produced in South Carolina, South Georgia and Florida, and shipped to North-Central and Western States. The principal other commodities just referred to, are oranges, pineapples, water melons, peaches, other fruits; rosin, turpentine and pyroligneous products. The naval stores, turpentine and pyroligneous products are the direct products of the yellow pine, and are the only products thereof, except lumber. The cost to the shipper of handling said other products is much larger than the cost of handling lumber; inasmuch as an expense is incurred by the shipper for crates, boxes or barrels; the cost per car in loading said other products is much greater to the shipper than the cost of preparing a flat car for lumber; and the freight on the weight of the package in which said other products are transported is paid by the shipper.

Respondents deny that the average freight on yellow pine

lumber from the mills in Georgia, to the points of destination in the North-Central and Western Territory, amounts to a sum in the aggregate equalling the value of the products at the points of shipment; but if it were otherwise, there are numerous other articles carried by railroads in large quantities, the average freight on which from points of shipment, to points of destination, fully equals the value of the products at the points of shipment; among such other articles are coal, ores, lime, sand, clay, stone, melons and frequently potatoes.

Respondents deny that from points in the State of Georgia, alone, nearly or quite seven millions of dollars is
503 annually paid to carriers for transportation to market on lumber valued at the mills at seven millions dollars. Respondents admit that the lumber product annually shipped from the State of Georgia to North-Central and Western points, which represent the territory directly affected by said proposed increase in rates, is at the mills of the value of two and one-half million dollars; in fact, respondents are informed, believe and aver that its value is nearer three millions of dollars; but respondents deny that the cost of transportation to the point of delivery on and beyond the Ohio River exceeds the value of the product.

Respondents deny that Exhibit A, to the bill is a correct statement of all shipments made by the Garbutt Lumber Co., of Wright, Ga., during the month of March, 1903, to points that will be affected by the two cent advance in lumber rates. Repondents deny that said Exhibit A, states correctly the aggregate weight; or the aggregate amount of freight due to the carrier; or the net value of the shipments that are referred to in said exhibit. But if said exhibit be a correct statement, the lumber covered by it must have been of an exceedingly low grade. Respondents deny that the lumber referred to in said Exhibit A, was a fair sample of the average of the yellow pine lumber which is shipped from the mills in Georgia to the Ohio River crossings and points beyond.

Respondents deny that the proposed increase in rates would reduce the proportions between the shipper and the carrier; because, as hereinbefore stated, the shipper would increase his price on the lumber, and thus meet said proposed increase in rate.

Respondents deny that the present rate on lumber is greater per ton per mile than the rate on coal, pig iron, or other like products, value, weight and cost of handling
504 considered. The comparison made in the bill between the rates on lumber and those on coal and pig

iron is unfair, irrelevant and misleading. Coal and pig iron are practically indestructible in transportation. The wreck of a car loaded with either of them would not occasion much, if any loss of commodity, while lumber is broken to pieces if wrecked; and is inflammable. Besides, lumber is a commodity that does not come into competition with coal, pig iron or other like products. Coal is a very cheap commodity, and it is not shipped at all from Southern territory to the North-Central and Western territory. Pig iron is a crude commodity carried to manufacturing points; and it always gives to the carrier a second haul on the manufactured products.

Respondents deny that the quality of lumber shipped from the mills in Georgia to the North-Central and Western territory is of low grade; on the contrary, respondents aver that under the Western classification, by which said lumber is sold, the greater amount of the lumber that is shipped by complainants, and other members of the Georgia Saw Mill Association, is what is known as medium classification; and that only a small portion of it is low grade, according to the Western classification.

Respondents admit that for the transportation of the greater portion of the lumber shipped by complainants, and other members of the Georgia Saw Mill Association, to the territory north of the Ohio River, the carrier furnishes a naked platform, or flat car; but it is done, as a general rule, at the request of the lumber shippers. As a general rule, shippers prefer to load lumber upon flat cars, rather than in box cars. It is easier to load all kinds of lumber on flat cars than in box cars; and it costs the lumber shipper less to load and unload flat cars, than it does to load and unload box cars. Certain kinds of lumber are too long to be loaded in box cars; and some kinds of lumber are so long as to require two flat cars for their transportation. Respondents' information and belief is that the cost of loading lumber in box cars
505 is nearly twice as much as the cost of loading it on flat cars.

In order to supply complainants, and other members of the Georgia Saw Mill Association with the necessary number of flat cars to move their lumber, respondents are compelled to haul a large number of flat cars to the mills empty, and consequently the rates charged by respondents for the transportation of the lumber from the mills to the North-Central and Western territory represents a transportation service rendered in carrying the empty flat cars to the mills, as well as

a transportation service rendered in carrying the loaded cars from the mills to the North-Central and Western territory.

In the case of respondent, the Southern Railway, 85.3 per cent. of its flat cars equipment, furnished for lumber shipments move south empty. In the case of respondent, the Atlantic Coast Line Railroad Company, 95 per cent. of its flat car equipment furnished for lumber shipments move south empty. In the case of respondent, the Louisville & Nashville Railroad Company, and Nashville, Chattanooga & St. Louis Railway, practically all of their flat car equipment furnished for lumber shipments, sooner or later move over their rails south empty.

Respondents admit that the shipper is required to equip with standard, strips and supports, platform or flat cars, upon which lumber is loaded for transportation. The object of the requirement is to prevent the lumber from falling off the cars while they are in motion; a requirement which would not be necessary if shippers would use box cars for the transportation of this lumber. Similar requirements are made of others who ship articles which require similar precaution; said requirements is universally enforced on railroads in the United States, and it is in fact a rule of the Master Car Builders Association of the United States.

Respondents deny that they require shippers to make the standards, strips, supports "of high grade lumber;" the only requirement on the subject is contained in the following rules of the Master Car Builders Association, viz:

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12. "All stakes, clamping pieces, bearing pieces and braces must be sound, straight-grained lumber (hard wood preferred), free from knots, that would materially impair their strength. Care must be taken to keep the stakes from spreading at the top while cars are being loaded, and in no case must a load exceed the width of a car. Stakes should not be less than four inches wide by five inches deep, tapered at the end to accurately fit into stake pockets, which should not be less than 3 1/2 by 5 inches.

13. Opposite stakes must always be fastened together. When the specified fastenings is by means of boards, there must be two boards for every pair of stakes, each board not less than 1 by 6 inches in section, and fastened at each end by not less than three ten penny nails. When the specified fastening is by means of wire, the wire must be equal to

six strands, or three wrappings of No. 8 telegraph wire, and the wire must be secured to prevent it from slipping."

Respondents do not know the exact cost to the shipper of equipping flat cars with standards, strips and supports; but their information and belief is that $1.25 per car is the average cost; and that the maximum cost for a single car will not exceed $1.50; and these estimates include all cost of labor and material in preparing said car for such shipments.

Respondents deny that the cost of equipping platform or flat cars for the shipment of lumber from Georgia, alone, aggregates anything like from $50,000.00 to $100,000.00, per annum; respondents have above given their best information and belief as to the average and maximum cost of equiping cars for lumber transportation; and the aggregate amount of such cost will, of course, depend upon the number of cars shipped.

507 Respondents admit that the shipper is required to pay freight on the increased weight caused by said equipment, but their information and belief is, and they so aver, that said freight on said equipment will not amount to more than from $1.00 to $1.25 per car.

As another off-set to the requirement that shippers must equip platform or flat cars with standards, strips and supports, and pay freight upon their weight, respondent avers that it is a common practice for shippers of lumber to load the cars below their marked capacity; the result of which is to deprive the carriers of the additional revenue, which they would have obtained had the cars been loaded to their full capacity.

Respondents deny the averment in the bill that no other commodity is subjected to such rates and burdens; and respondents deny that either the rates or burdens imposed upon the lumber traffic are unfair or unjust.

There are similar requirements for making secure car loads of structural material, plates, rails, girdles, cast iron pipe, tan bark, etc., when loaded on open cars; and shippers are required to furnish, and pay freight on standards, strips and supports to protect the loads. Shippers of live stock are required to bed cars at their own expense; and when partitions are necessary for the separation of the stock, shippers are required to provide such partitions at their own expense. When it is necessary to protect and secure by proper bracing shipments of machinery, agricultural implements, vehicles and other articles, the expense of providing such protection is borne by the shipper and freight charges on practically all

classes of traffic, which require protecting by crating, or other packing, are assessed upon the basis of gross weight; which, of course, includes the weights of the bracing or other appliances used for such protection.

The so-called burden of equipping platform or flat cars so as to protect the lumber, is really not a burden at all; it is a natural and necessary incident of carrying lumber on flat cars, most of which have to be hauled to the mills empty. Formerly the carriers charged three cents per hundred pounds additional for lumber carried on flat cars, in recognition to that extent of the additional disadvantage to which the carrier is subjected in being compelled to haul the flat cars to the mills empty, and in being compelled, in the case of long lumber, to furnish two or more flat cars; one of which is known as an "idler."

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2. Respondents admit that there has been created a market for Southern yellow pine lumber in the territory consisting of the States of Ohio, Illinois, Indiana, Wisconsin and parts of New York, Pennsylvania, Michigan and Nebraska; but respondents aver that the development of said market has required a great many years; and that complainants and other manufacturers of Southern yellow pine lumber have done no more to create said market than have respondents and other carriers, who have been at as great, if not greater, expense in the development of said market as have the lumber manufacturers. Respondents and other carriers have, in the past, been compelled to reduce their rates to said territory from South Carolina, Georgia, Florida and Alabama, in order to enable the lumber manufactured in those States to meet the competition of other lumber in the territory north of the Ohio river. Respondents and other carriers have been compelled, at special expense, to provide equipment suitable to handle the lumber business; and they have, by active and expensive solicitation, and by requiring that cars ordered by them shall be constructed of southern yellow pine, secured a large amount of the business now enjoyed by complainants and other manufacturers of southern yellow pine lumber. Respondents and other carriers are as much interested in the perpetuation and extension of said market as are complainants or other lumber manufacturers.

Respondents admit that within the territory consisting of the States of Ohio, Illinois, Indiana, Wisconsin, and parts of New York, Pennsylvania, Michigan and Nebraska, complain-

ants and other manufacturers of southern yellow pine
509 lumber come into direct competition (though to a limited extent only) with the hemlock, spruce and white pine of Canada and the Northern States, and with the woods of the Pacific Coast; but respondents are informed, believe, and so aver, that the southern yellow pine lumber has largely superseded said other woods for use for the same purposes in said territory.

Southern yellow pine lumber successfully competes in said territory with the Canadian woods, the white pine of the Northern States and the fir lumber from the Pacific Coast. It has been found that only in structural work, where extra size timbers are required, is the fir timber used to any extent whatever in the territory east of the Mississippi river. Yellow pine is without serious competition for many important uses, such as car construction, bridge and other structural work, such as docks, elevators, &c.

Respondents deny that complainants and other manufacturers of yellow pine lumber have been able to meet the competition of hemlock, spruce and white pine lumber only with low grades of lumber. On the contrary, respondents aver that the rates from Georgia and other Southern States on yellow pine lumber have for so many years been so adjusted as to enable the manufacturers of that lumber in the Southern States to compete freely with the woods of all other sections in the territory consisting of the States of Ohio, Illinois, Indiana, Wisconsin, and parts of New York, Pennsylvania, Michigan and Nebraska. And the ability of said manufacturers to compete with said woods from other sections in said territory is increasing, on account of the diminishing supply of woods from said other sections. In addition to complainants' ability to compete on all the regular grades of lumber from said other sections, they have, within the past two years, on account of the phenomenal development and demand in the lumber business, been able to market in said territory
certain very low grades of lumber, which heretofore
510 they have had to burn or discard as worthless; and it is only with respect to those very low grades of lumber, which constitute an entirely new or additional business, produced at but little additional cost, that complainants have any difficulty in competing with lumber from said other sections in the territory described. The result of this suit, if complainants prevail, will be to prevent respondents and other railroads in the South from sharing to any extent whatever in the phenomenal prosperity of the business in the regular grades

of lumber, which have all the time been disposed of in said territory without difficulty, and to have the reasonableness and propriety of the rates of respondents and other Southern lines determined absolutely and wholly by what complainants and other Southern manufacturers regard as necessary to enable them to make a handsome profit, not only on the high grades of lumber, but also on the very low grades, which constitute a new or additional business in a bye-product which has heretofore been practically worthless.

The fact that complainants do not dispose of all their high grades of lumber in the territory described above is due to the fact that they enjoy an even more profitable market for those grades in other territories, especially in the East; and it is not because they cannot find a very profitable market for those grades in the territory described. The lumber manufacturers in Georgia, by reason of their proximity to the seaboard, enjoy a very favorable market in the East for their high grades of lumber; but they find it more to their advantage to ship their low grades of lumber to the territory on and north of the Ohio river. This fact, however, is not true with respect to yellow pine lumber manufactured in Alabama and Mississippi. The yellow pine lumber manufactured in Alabama and Mississippi does not find an Eastern market to the same extent as it does in the lumber manufactured in Georgia, and, therefore, the manufacturers in Alabama and Mississippi must necessarily dispose of their high grade lumber, as well as their
511 low grade lumber, to a very large extent, in the territory on and north of the Ohio river. It is not practicable to maintain lower rates on lumber from Georgia to points on and north of the Ohio river than are maintained on lumber from Alabama and Mississippi to the same points; and, therefore, another result of this suit, if the complainants prevail, will be that, while they are seeking to keep down the rates on lumber so as to enable them to procure an additional profit on such low grade lumber as they may dispose of in the territory on and north of the Ohio river, they will prevent respondents and other Southern railroads from securing any higher rates than at present from Alabama and Mississippi to the same territory on the high grades of lumber, which are regularly and principally disposed of in said territory. Respondents admit that the market for low grades of lumber elsewhere than in the territory on and north of the Ohio river is somewhat restricted. Respondents have no knowledge, information or belief as to whether complainants and other manufacturers of Southern yellow pine lumber have increased

their investment of capital, or have correspondingly enlarged their output by reason of their having acquired a market for their low grades of lumber in the territory on and north of the Ohio river.

Respondents deny that to points within the territory on or north of the Ohio river, which are stated in the bill to be indicated by Exhibit B, the rates on yellow pine are now greater than on other woods for equal distances. Respondents deny that the rates on said other woods to points within said territory are correctly stated in the bill. The rates on fir lumber from Pacific Coast points to Chicago, St. Paul, Omaha, Kansas City, St. Louis, Cleveland, Pittsburg, Cincinnati and Evansville, and the distances from said points of shipment to said points of destination, and the rates per ton per mile realized from said shipments, are correctly shown in Exhibit No. 3 to this answer, which exhibit is here filed and prayed to be taken as part hereof, as fully as though set forth herein,
512 though it need not be copied unless called for.

The rates on white pine from northern points to the territory on and north of the Ohio river are correctly represented by the rates on white pine from points in Michigan to Cincinnati, O., Louisville, Ky., Evansville, Indiana, Cairo, Ill., Columbus, O., Cleveland, O., Indianapolis, Ind., Terre Haute, Ind., Pittsburg, Pa., and Chicago, Ill. And those rates and the distances and the rates per ton per mile are correctly set forth in Exhibit No. 4 to this answer, which is here filed and prayed to be taken as part hereof, as fully as though set forth herein, though it need not be copied unless called for.

The rates in yellow pine lumber from points in Georgia to points north of the Ohio river, while they are quoted as through rates, are, in fact, combination rates, which are made by adding the rates of the Southern lines from points in Georgia to the Ohio river to the rates charged by the Northern lines from the Ohio river to points of destination north of that river. The Southern lines have no voice whatever in fixing the rates which the Northern lines charge from the Ohio river northward. The rates per ton per mile received by the Southern trunk lines are very much less than the rates per ton per mile received by the Northern lines, notwithstanding the fact that the density of population and the density of traffic are very much greater in the territory north of the Ohio river than they are in the south of that river.

Respondents file herewith, as Exhibit No. 5 to this answer, a statement showing correctly the rates on yellow pine lumber

carloads, from Cincinnati, Ohio, Louisville, Ky., Evansville, Ind., and Cairo, Ill., to Chicago, Ill., Detroit, Mich., Cleveland, O., Indianapolis, Ind., and Pittsburg, Pa. Said statement shows not only the aggregate rates, but also the distances and the rates per ton per mile, received by the Northern
513 roads for transportation north of the Ohio river, between the points named. Said exhibit is prayed to be taken as part hereof, as fully as though set forth herein, though it need not be copied unless called for.

Respondents file herewith Exhibit No. 6 to this answer, a statement showing correctly the rates on yellow pine lumber, carloads, from South Georgia points to representative points on the Ohio river and beyond. Said statement shows correctly not only the present and proposed rates, but also the distances, the rates per ton per mile through to destination, and the rates per ton per mile from points of shipment to the Ohio river. Said Exhibit is prayed to be taken as part hereof, as fully as though set forth herein, though it need not be copied unless called for.

Respondents aver and insist, however, that the rates per ton per mile are immaterial and irrelevant. The only material and relevant question is as to the reasonableness of the aggregate rates, and respondents have submitted, in said Exhibits 3, 4, 5 and 6, the rates per ton per mile, merely in response to the allegations in regard to them contained in the bill.

Respondents deny that yellow pine lumber is now paying any more than the carriers of white pine demand for the carriage of that product for equal distances.

Respondents admit that white pine and fir are somewhat lighter than the same dimensions of yellow pine lumber; but respondents deny that there is any discrimination at all in favor of either white pine or fir as against yellow pine.

Respondents deny that they have singled out yellow pine as the sole object of the proposed increase in lumber rates. On the contrary, the proposed increase is to apply on all lumber shipped via any of respondents' lines from points in Southern Georgia to the Ohio river. The tariffs issued by some of respondents may refer, on their title pages, to yellow pine only; but that is because there is no other kind of lumber which originates on those particular roads destined to
514 points on and beyond the Ohio river.

Respondents have no knowledge, information or belief as to whether the lines which carry white pine, fir and other woods from the Pacific Coast and from the Northern States to the territory on and north of the Ohio river propose

to increase their rates on said woods or not. Respondents insist, however, that the question is not material, because respondents have not found that the competition with said white pine, fir or other woods is now, or has been heretofore, sufficient to require the low rates which have been made on yellow pine from Georgia to the territory on and north of the Ohio river.

Some years ago, when mills began to ship yellow pine from the State of Arkansas to points on and north of the Ohio river and east of the Mississippi river, they shipped a grade of pine inferior to that manufactured in Georgia; and the lines carrying the lumber from Arkansas made rates to said points materially lower than were in effect from the mills in Georgia. Said rates from Arkansas were stated to be made in competition with the white pine from Michigan, Wisconsin, etc., and it was claimed that such rates were necessary to introduce the Arkansas grades of yellow pine as against said white pine. At that time, the proportion which white pine bore to all kinds of pine used in the territory north of the Ohio river and east of the Mississippi was much greater than at present, and the prices were lower than at present. Following the putting in of said rates by the lines from Arkansas, the lines from Georgia, with the aid of their connecting lines, reduced their rates from Georgia correspondingly so as to meet the competition from Arkansas. The lines from Arkansas have ascertained that the decreasing supply of white pine and with the higher prices thereof, and with the rates on fir from the Pacific Coast now in effect, the lines from Arkansas can safely advance their rates two cents per hundred pounds to
515 the territory north of the Ohio and east of the Mississippi rivers, and they have accordingly done so. The lines from Mississippi, which first met the competition of the lines from Arkansas, have likewise advanced their rates on lumber two or more cents per hundred pounds in all cases. It results that as the competition of the lines from Arkansas which forced the lines from Georgia to reduce their lumber rates has been modified, as shown above, the lines from Georgia are now justified in advancing their lumber rates two cents per hundred pounds from mills in Georgia. The market for the Arkansas yellow pine is north of the Ohio river and east of and west of the Mississippi river. Arkansas pine is not exported, nor is it shipped to the east to any important extent. The entire market for Arkansas pine, outside of local consumption, is practically, as stated above, north of the Ohio river and east and west of the Mississippi river. Respondents

information and belief is, and they so aver, that no mills in Arkansas have objected to the advance of two cents per hundred pounds on lumber made by the Arkansas lines to the territory on and north of the Ohio river; and it is submitted that if the inferior pine lumber from Arkansas can be shipped to said territory, in successful competition with white pine, fir and other lumbers, at the increased rate of two cents per hundred pounds, the Georgia pine can also be shipped at the same increase of rate, in successful competition with white pine, fir and other lumbers in the same territory.

Respondents deny the averments in the bill that should the increased rate from South Georgia go into effect, the manufacturers of yellow pine will be unable to compete with other woods, or will be compelled to retire from the territory on and north of the Ohio river. On the contrary, respondents aver that the manufacturers of yellow pine lumber in Georgia will be able to continue to compete with any other wood in the market of said territory. Re-
516 spondents deny that the market for low-grade Georgia yellow pine will be destroyed or even injured. They deny that the capital invested for the production of lumber in South Carolina, Georgia, Florida or Alabama to meet the demand created will be lost, or in any wise impaired; or that any part of the product already manufactured and on hand, if any, will be worthless for want of a market. If the rates from South Carolina, Georgia, Florida and Alabama be increased only in line with the increases that have already been made from Arkansas and Mississippi to the territory on and north of the Ohio river, the manufacturers of yellow pine lumber in South Carolina, Georgia, Florida and Alabama will continue to be able to compete on the same relative terms as they have heretofore competed with the manufacturers of yellow pine lumber in Mississippi and Arkansas, and the only effect will be to increase the price of lumber to the purchaser to the extent of the increase made in the rate.

Respondents and other railroad companies are among the largest, if not the largest, purchasers of yellow pine lumber. During the quarter ended March, 1903, there were shipped from points on the Atlantic Coast Line Railroad in Georgia and connecting or originating or tributary lines in Georgia a total of 61,887,680 pounds of lumber; of which 49,986,110 or 80.8 per cent.—were consigned to the railroad companies and car manufacturers.

3. Respondents admit that the cost of the production of

yellow pine lumber has materially increased since 1897; but it has not increased, either relatively or absolutely, as much as the cost of maintaining and operating railroads has increased. The cost of lumber used by railroads is now at least fifty per cent. more than in 1897. Complainants adroitly aver that there has been no increase in the market value of yellow pine lumber since January 1, 1902; but they carefully omit to aver, as the fact is, that the market value of said lumber from 1897 to January 1, 1902, increased not less than
517 sixty per cent. Respondents admit that such increase as there has been in the cost of production of yellow pine lumber consists in the items of raw material, labor and feed for stock, all of which have materially advanced in price.

Respondents admit that in the manufacture of lumber, as in the manufacture of everything else, the minimum cost per unit can only be obtained where conditions permit maximum production; but respondents aver that the conditions existing in South Carolina, Georgia, Florida and Alabama do permit the maximum production of lumber in those States. Respondents have above shown that the lumber from those States can successfully compete in the territory on and north of the Ohio river with the yellow pine from Arkansas and Mississippi, with the fir from the Pacific coast points and with the white pine from Canada and the Northern States.

The rates on yellow pine to the territory on and north of the Ohio river from South Carolina, Georgia, Florida and Alabama have not been increased any more than the rates from Arkansas and Mississippi to the same territory; and the cost of the production of yellow pine lumber in South Carolina, Georgia, Florida and Alabama, has not increased any more than the cost of the production of yellow pine lumber in Arkansas and Mississippi.

Respondents deny that they have for a considerable period "utterly" failed to furnish cars for the transportation of lumber. On the contrary, respondents aver that they have furnished for the transportation of lumber and other traffic all the cars that they own, or could procure by the exercise of the greatest diligence. They admit that owing to the increase in traffic generally, including the lumber traffic, they have not been able to furnish cars sufficient for the transportation of lumber; but the same has been, unfortunately, true with reference to all other kinds of traffic. The manufacturers of railroad cars and locomotives have been unable to supply the

very unusual demand of the last few years. Com-
518 plainants adroitly omitted to state that their busi-
ness has so increased in volume (even at the largely increased prices), that respondents and other railroads, while increasing their rolling stock as rapidly as cars could be secured, have been unable to keep pace with complainants' growing trade. Respondents deny that complainants' profits have been reduced. On the contrary, respondents aver that said profits have been largely increased.

Respondents deny that the cost to them and other railroad companies of furnishing transportation to the public has been constantly, or at all, reduced by reason of increased capacity of cars, or locomotives, or by the use of modern appliances which dispense with the employes necessary to operate trains.

On the contrary, respondents aver that the cost to them, and to other railroads in the Southern States, of furnishing transportation has been materially increased during the last few years, on account of the material increase in the prices of lumber, crossties, iron, coal, wages and everything else which enters into the cost to railroads of furnishing transportation.

4. Respondents deny that either the increased rates proposed, or those existing when the restraining order in this case was granted, are arbitrary, unjust or unjustly discriminating, in any respect whatsoever. It is true generally, though not in all instances, that the rates from Georgia points to Ohio river points and beyond, are one cent per hundred higher than the rates from points in Mississippi. The mills in Mississippi, in the district in which Laurel is situated, are given a certain rate, and the mills in Georgia, in the district in which Tifton is situated, are given a rate of one per cent. per hundred pounds higher than the Laurel rate. The average dis-
tance from the mill in Laurel district is 83 miles
519 less than the average distance from the mills in the Tifton district to the Ohio river crossings; and that difference in favor of the Laurel district is sufficient to sustain the difference in rates of one cent per hundred pounds, which obtains between those two districts. It seems for some reason to have suited complainants' purpose to select Cordele, Georgia, as a representative point in the South Georgia lumber territory; but respondents aver that Cordele is not a fairly representative point in that territory; as there is no sawmill located at Cordele. Tifton, Georgia, however, is a fairly rep-

resentative point in that territory, and respondents file herewith as Exhibit No. 7 a correct comparison of the distances from the Mississippi and Georgia yellow pine lumber shipping district respectively, to Cincinnati, O., Louisville, Ky., Evansville, Ind., and Cairo, Ill., the principal Ohio river crossings. Said comparison was made by taking Laurel as a representative point in the Mississippi district and Tifton, as a representative point in the Georgia district. Said comparison shows that the difference in the combined distances is 333 miles, and that the average distance is 83 miles in favor of the Mississippi district. Respondents deny that said discrimination in favor of the Mississippi district is arbitrary or unjust, or that it is without reason or justification to sustain it. On the contrary, they aver that said discrimination is just, and based upon, among others, the reason that the averages of distances is in favor of the Mississippi district over the Georgia district to an extent sufficient to justify the difference in rates.

5. Respondents again deny that the proposed increase in rates on yellow pine lumber is either arbitrary or unjustly discriminative; and they again deny that it will be made to apply to yellow pine lumber only. On the contrary, it will be made to apply to all other woods that may be carried by respondents; though there is no other lumber shipped to Ohio river points, or beyond, from the yellow pine territory of Georgia, which comes into competition with yellow pine lumber.

520 Respondents admit that, within the past four years, to-wit, from 1899 to 1903, the rates on lumber from points in South Georgia to points on the Ohio river have increased two cents per hundred pounds, and from points in South Georgia to some of the points north of the Ohio river the rates have increased three cents per hundred pounds. The last mentioned increase, viz., the increase in the rates to points north of the Ohio river, was made exclusively by the lines north of that river. Respondents received no part of such increase and are in no wise responsible for said increase being made. Respondents aver that the increase in rates made between points in Georgia and points on the Ohio river was fully justified by the circumstances and conditions existing at the time said increase was made. Among those circumstances and conditions was the fact that the market value of lumber manufactured in the South Georgia district had greatly increased; and the

fact that the cost to the railroads of furnishing transportation service had also greatly increased. Respondents deny that yellow pine lumber has been singled out to bear the burden of increased rates. On the contrary, rates have been increased on many other products and in many instances to a greater extent than the entire increase that has heretofore been made, and is proposed now to be made, on yellow pine lumber. Respondents deny that the existing or proposed rates on yellow pine lumber are greater, or produce more revenue to the carrier, than any other like product, weight, value, tonnage and cost of transportation considered.

The Interstate Commerce Commission in its last annual report mentions five hundred and thirty-one commodities upon which the rates have been increased in the Southern territory,

521 by advances in the classification, which commodities are now moving freely, notwithstanding their rates have been advanced.

It is proper in this connection for respondents to explain to the Court the method which obtains in making rates on lumber from points in South Georgia, to points north of the Ohio river. In many instances, the sawmills are located upon short lines of railroad, running from the sawmills to some of the Southern trunk lines; and some of said short lines of railroad were constructed, and are now operated by some of the complainants, as is the case of the Tifton & Northeastern Railroad, which is only twenty-five miles long, and runs from the sawmills at Tifton to Fitzgerald, where it connects with the Seaboard Air Line, which is one of the important trunk line railroads in the South. Said Tifton & Northeastern Railroad is operated by one of the complainants in this case; and in making rates on lumber from Tifton to points north of the Ohio river, said Tifton & Northeastern Railroad demands and is allowed by its connections 2 1/2 cents per hundred pounds as an arbitrary, or 2 cents per ton per mile for its maximum haul from all of its lumber producing stations. As hereinbefore explained, the roads north of the river also demand certain arbitraries over which respondents have no control, and at some of the Ohio river crossings, bridge tolls are also deducted from the through rates. The result is that the Southern trunk lines, and their connections south of the Ohio river, which carry the lumber, say from Fitzgerald, Ga., to Cincinnati, on the Ohio river, (a distance via Montgomery, Ala., of 826 miles,) are compelled to deduct from the through rates, when the lumber is destined to points beyond that river, the arbitrary demanded and allowed to the Tifton & Northeast-

ern Railroad; the arbitrary demanded and allowed
522 to the roads north of the Ohio river; and at some of the Ohio river crossings, the bridge tolls demanded and allowed to bridge companies. It results that the remainder of the through rate received by the Southern trunk lines and their connections south of the Ohio river is relatively small, and that the rate per ton per mile, received by said trunk lines, and their said connections, is materially less than the rate per ton per mile received by the Tifton & Northeastern Railroad, and materially less than the rate per ton per mile received by the roads north of the Ohio river.

Respondents do not know, nor have they any information or belief, as to what contracts were entered into by complainants, or either of them, for the delivery of lumber to points on or north of the Ohio river (that being the territory to be affected by the increased rates), before they received notice of the proposed increase in the lumber rates. Respondents insist that under the law all interstate railroad tariffs are issued subject to change upon giving only such notice as is required by the act of Congress to regulate commerce. Respondents aver that though said increased rates were filed by each of respondents to take effect April 15, 1903, each of them had before that time, separately and independently, given notice of such an increase of rates; and said proposed increase of rates was well known to complainants, and other members of the Georgia Saw Mill Association, to have been in contemplation by each of the respondents, for at least sixty days before said 15th day of April, 1903. Each of respondents, separately and independently gave notice during the month of February, 1903, that it would increase its lumber rates, effective March 1, 1903. In the early part of February, 1903, the lumber manufacturers in South Georgia, knowing of said proposed increases, represented that it would take 56 days for them to be able to fill their existing contracts; and urged a postponement to enable them to do so; and in order to meet their requests, each of respondents
523 separately and independently postponed the going into effect of said increase, on its line until April 15, 1903; which gave complainants and the other lumber manufacturers more than the 56 days which they had requested. Not only so, but for some months prior to February, 1903, complainants and the lumber manufacturers knew that increases of lumber rates were in contemplation by each of respondents, and if complainants, or other lumber manufacturers made any contracts thereafter, they made them with such

knowledge before them. Complainants, and the other lumber manufacturers, also knew the difficulty which respondents had in obtaining cars to move the lumber, and the rate at which such cars had been theretofore furnished and the statement made by complainants and other lumber manufacturers as to the 56 days needed to fill their contracts was made with such knowledge; and with no understanding as to any different method of furnishing cars in the future.

Respondents aver that they have, respectively, furnished complainants, and the other members of the Georgia Saw Mill Association, with sufficient cars to have moved whatever lumber was under contract prior to April 15, 1903; and if such lumber has not been shipped, it has been due to the fact that said cars have been used by complainants, and other members of the Georgia Saw Mill Association, to ship other lumber which was not under contract prior to April 15, 1903. Respondents, therefore, deny that they have failed to supply sufficient cars to move such of said manufactured product as was under contract prior to April 15, 1903; and respondents have no knowledge, information or belief as to what, if any, of said manufactured product, that was under contract April 15, 1903, complainants, or other members of said Georgia Saw Mill Association, had on hand at the time of the filing of the bill in the case.

524 VII.

Respondents deny that the Southeastern Freight Association is employed by respondents, and other carriers, or by either of respondents, as a medium through which to effect a lessening of competition. Respondents again deny that said Southeastern Freight Association in legal contemplation, or otherwise, constitutes a combination or conspiracy in restraint of commerce between the States. Respondents have hereinbefore filed a copy of the articles of association of said Southeastern Freight Association as Exhibit No. 2 to this answer. Said articles state fully and truly the only objects or purposes for which said association was organized or is now maintained. Copies of said articles have been filed with the Interstate Commerce Commission. Respondents aver that actually as well as nominally, any railway company that is a member of said association may, and does fix its own rates and promulgates its own tariffs, and no such company is bound by any contract, agreement, combination or conspiracy, written or oral, express or implied, to change its rates so as to

conform to the rates of any other carrier: and in point of fact there is no understanding, general or special, under which any member of said association is under the slightest obligation, legal or moral, to change its rates, or to make its rates conform to the rates, views, rules or regulations of any other carrier, whether such other carrier be a member of said association or not. Respondents deny that in the matter of increased rates on lumber the various lumber carrying roads have acted in concert, or have acted through said Southeastern Freight Association. Each of respondents, whether it be a member of said association, or not, has acted for itself, and itself alone, in the matter of said increased rates on
525 lumber. As a matter of course, where two or more railroads are connecting links in a through line, such roads do act in concert, because all of them must agree what the through rates shall be, and how they shall be divided between them; but so far as companies, members of said association, are competitors of each other, there is no concert, combination, conspiracy, agreement or understanding whatever between them; each company making its own rates and issuing its own tariffs.

Respondents again deny that they have singled out lumber as a commodity upon which to lay or impose an extra burden. They have not treated lumber otherwise than as they have treated all other commodities moving under substantially similar circumstances and conditions.

Respondents aver that each of them will suffer irreparable injury if the injunction prayed for in the bill be granted.

First. It will prevent each of respondents from sharing to any extent whatever in the phenomenal prosperity which now exists in the market on and north of the Ohio river, for the regular grades of lumber, and which prosperity may cease before this case can be finally determined.

Second. While complainants are seeking to keep down the rates on lumber, so as to enable them to procure an additional profit on such low grade lumber as they may dispose of in the territory on and north of the Ohio river, said injunction will prevent each of respondents from securing any higher rates than obtained when the original bill was filed in this case, on the high grades of lumber which are readily, regularly and principally disposed of in said territory.

Third. Said injunction will compel respondents, respect-

ively, to receive from complainants, and from all other shippers of lumber from points within the State of
526 Georgia, to points without the Sta[illegible] especially to Chattanooga, Tenn., and to Ohio ri[illegible]r points and points beyond, west of Buffalo and Pittsburg, less compensation for the transportation of lumber than will, at the same time be specified and in force in the schedules filed by respondents, respectively, with the Interstate Commerce Commission, and respondents will be severally exposed to a multitude of criminal prosecutions for an alleged violation of the act of Congress approved February 19, 1903, entitled "An act to further regulate commerce with foreign nations and among the States."

Fourth. Said injunction will prevent respondents from severally charging said proposed increase in lumber rates against many hundreds of persons, firms and corporations, who have made no complaint against said increase, and who are not parties to this suit, and who, therefore, would not be liable to respondents in this suit for damages for wrongfully suing out said injunction.

Fifth. Said injunction will compel respondents to severally lose 2 cents per hundred pounds on every shipment of lumber carried by them, respectively, from points within the State of Georgia, to points without the State, in the territory described in the bill. Thousands of such shipments will be made, by hundreds and perhaps thousands of shippers, who will be liable to respondents respectively, for said loss of 2 cents per 100 pounds, if said proposed increase should be finally decided to be legal. Respondents would severally be forced to bring a multitude of suits to recover said loss of 2 cents per 100 lbs. Many of the shippers who would be liable for said loss could not be found, many others would be insolvent, and in very few of such suits would the amount recovered by respondent equal the costs and expenses of such recovery.

Sixth. It would be difficult to ascertain with legal certainty the amount of lumber that would have been shipped under said increased rate if said injunction had not
527 been granted; and therefore a large portion of the loss which respondents would severally actually sustain from the granting of said injunction could never be ascertained.

On the other hand, complainants' damages can be readily

ascertained, and recovered, if said proposed increase shall be finally decided to be illegal.

Respondents having fully answered pray to be hence dismissed with their reasonable costs in this behalf expended.

JOHN I. HALL,
Solicitor for Georgia Southern & Florida Railway.
DORSEY, BREWSTER & HOWELL,
DESSAU, HARRIS & HARRIS,
Solicitors for Southern Railway Company.
LAWTON & CUNNINGHAM,
Solicitors for Central of Georgia Railway Company.
LOUIS F. GARRARD,
Solicitor for Macon & Birmingham Railway.
KING, SPALDING & LITTLE,
Solicitors.
CHARLES N. BUNCH, Genl. Solicitor,
ALEX C. KING,
Of Counsel, for Louisville & Nashville Railroad Company.
KAY, BENNET & CONYERS,
Solicitors for Atlantic Coast Line Railroad Co.
BROWN & RANDOLPH,
Attorneys for Seaboard Air Line Railway.
CLAUDE WALLER,
Solicitor for N., C. & St. L. Railway.
EX BAXTER,
Special Counsel for Respondents.

528 State of Georgia,
County of Bibb.

Personally appeared before me Walter H. Beeks, a notary public, duly and regularly appointed, commissioned and qualified in and for the State and county aforesaid, Wm. C. Shaw, who made oath, in due form of law, that he is the vice president of the Georgia Southern & Florida Railway Company, one of the above-named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

[Company Seal] WM. C. SHAW,
Of Georgia Southern & Florida Railway Company.

Sworn to and subscribed before me this 11th day of June, 1903.

Witness my hand and notarial seal at office in Macon, Ga., the day and year aforesaid.

[Notary Seal] WALTER H. BEEKS,
Notary Public, Macon, Bibb Co., Ga.

State of Massachusetts,
County of Suffolk.

Personally appeared before me, Charles F. Weed, a notary public, duly and regularly appointed, commissioned and qualified in and for the State and county aforesaid, Francis M. Edwards, who made oath, in due form of law, that he is the president of the Macon & Birmingham Railway Company, one of the above-named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

[Company Seal] FRANCIS M. EDWARDS,
President of Macon & Birmingham Railway Company.

Sworn to and subscribed before me this 15th day of June, 1903.

Witness my hand and notarial seal at office in Boston the day and year aforesaid.

[Notary Seal] CHARLES F. WEED,
Notary Public.

529 United States of America,
City of Washington. ss.

Personally appeared before me, Pearce Horne, Jr., a notary public duly and regularly appointed, commissioned and qualified in and for the District of Columbia, J. M. Culp, who made oath in due form of law that he is the fourth vice president of Southern Railway Company, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

J. M. CULP.
Fourth Vice President of Southern Railway Company.

Sworn to and subscribed before me this 20th day of June, 1903.

Witness my hand and notarial seal at office in Washington, D. C., the day and year aforesaid.

PEARCE HORNE, JR.,
Notary Public.

530 State of Tennessee,
County of Davidson.

Personally appeared before me, R. T. Saunders, a notary public duly and regularly appointed, commissioned and qualified in and for the State and county aforesaid, J. W. Thomas, who made oath, in due form of law, that he is the president of the Nashville, Chattanooga & St. Louis Railway, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

[Company Seal] J. W. THOMAS,
President of Nashville, Chattanooga & St. Louis Railway.

Sworn to and subscribed before me this 10th day of June, 1903.

Witness my hand and notarial seal at office in Nashville the day and year aforesaid.

[Notary Seal] R. T. SANDERS,
Notary Public.

531 State of Kentucky,
County of Jefferson.

Personally appeared before me, G. W. B. Olmstead, a notary public duly and regularly appointed, commissioned and qualified in and for the State and county aforesaid, Walker D. Hines, who made oath, in due form of law, that he is the first vice president of the Louisville & Nashville Railroad Company, one of the above-named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

[Company Seal] WALKER D. HINES,
First Vice President of Louisville & Nashville Railroad Company.

Attest:
W. H. BRUCE, Asst. Secretary.

Sworn to and subscribed before me, this 10th day of June, 1903. My commission expires January 29, 1906.

Witness my hand and notarial seal at office in Louisville, Ky., the day and year aforesaid.

[Notary Seal] G. W. B. OLMSTEAD,
Notary Public.

532 State of Virginia,
County of Norfolk,
City of Portsmouth.

Personally appeared before me, J. M. Perkins, a notary public duly and regularly appointed, commissioned and qualified in and for the State and city aforesaid, J. M. Barr, who made oath in due form of law that he is the first vice president of the Seaboard Air Line Railway, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

[Company Seal] J. M. BARR,
First Vice President of the Seaboard Air Line Railway.

Attest:
ROBT. L. HULL, Asst. Secy.

Sworn to and subscribed before me this 12th day of June, 1903.

Witness my hand and notarial seal at office in Portsmouth, Virginia, the day and year aforesaid.

[Notary Seal] D. M. PERKINS,
Notary Public.

I hereby certify that under the laws of Virginia no tax is required on above seal.

J. M. PERKINS, Notary Public.

My commission expires Sept. 18, 1905.

533 State of Georgia,
County of Chatham.

Personally appeared before me, C. H. Carson, a notary public duly and regularly appointed, commissioned and qualified in and for the State and county aforesaid, John M. Egan, who made oath, in due form of law, that he is the president of the Central of Georgia Railway Company, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

[Company Seal] JOHN M. EGAN,
Pres't Central of Georgia Ry. Company.

Sworn to and subscribed before me this 13th day of June, 1903.

Witness my hand and notarial seal at office in Savannah, Ga., the day and year aforesaid.

[Notary Seal] C. H. CARSON,
Notary Public, Chatham County, Georgia.

534 State of New York,
County of New York.

Personally appeared before me, F. de C. Sullivan, a notary public duly and regularly appointed, commissioned and qualified in and for the State and county aforesaid, Robert G. Erwin, who made oath, in due form of law, that he is the president of the Atlantic Coast Line Railroad Company, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

[Company Seal] ROBERT G. ERWIN,
President of Atlantic Coast Line Railroad Company.

Sworn to and subscribed before me this 12th day of June, 1903.

Witness my hand and notarial seal at office in New York the day and year aforesaid.

[Notary Seal] F. de C. SULLIVAN,
Notary Public #292, New York County.

EXHIBIT NO. 1.

Constitution and By-Laws of the Georgia Saw Mill Association. 1900.

H. H. Tift, et al.,
vs.
Southern Railway, et al.

Constitution and By-Laws of the Georgia Saw Mill Association.

Composed of Yellow Pine Manufacturers and Planing Mill Owners in Georgia, Alabama, Florida and South Carolina.

Headquarters Tifton, Georgia.

Copies Furnished on Application to the Secretary, Tifton, Georgia.

Tifton, Ga.
Gazette Publishing Co.
1900.

Officers. H. H. Tift, President, Tifton, Ga.

Constitution and By-Laws.

As Amended and Approved at the Meeting Held at Valdosta, Ga., May 4th, 1900.

We, the undersigned saw mill and planing mill owners and operators, for the purpose of producing uniformity and certainty in the customs and usages of the trade, to settle differences between ourselves, to reform abuses, foster and encourage trade, protect ourselves from unjust and unlawful exactions, and to promote a more enlarged and friendly intercourse among ourselves and those who may hereafter become associated with us, under the terms and conditions herewith, hereby agree, each with the other, and with those who may hereafter become parties hereto, to form, and we do hereby form, for the purpose hereinbefore recited, a voluntary association to be known as the Georgia Saw Mill Association, which said association shall be governed by the following rules and regulations:

Article 1. All persons, partnerships or corporations, owning saw mill plants in States of Georgia, Florida, South Carolina and Alabama, who shall subscribe their names hereto, shall become members of the association. By saw mill owners, is meant those who are personally owning and operating saw mills, and no other persons having less than an invested interest of $50,000.00 in a saw mill shall be eligible to membership.

Art. 2. The officers of the association shall be a president, vice president and a secretary and treasurer. Said officers to be elected by the association.

Art. 3. Meetings of the association shall be held monthly. Special meetings shall be called at the discretion of the president and secretary.

Art. 4. The dues or contributions shall be 1 cent per 1,000 feet on the cut of the mills of the members, payable monthly to the secretary, by or before the 10th of the succeeding month. Said funds to be at the disposal of the association for defraying the expenses of the association and any excess above expenses to be divided among the members in proportion to the amount paid by each member. The 1 cent per 1,000 feet to be only on shipping lumber and boards, excluding all lumber used for tram roads and mill purposes, and in case of planing mills only, the amount is to be made up from the number of feet shipped each month.

Art. 5. The prices on all lumber and other building material handled by saw mills belonging to the association are to be made by the association as heretofore and the price lists and information sent out by the secretary as in the past.

Art. 6. All members of the association shall, as far as possible, keep press copies of all bids made, and shall keep press copies of all contracts made and all books of each member, including copies of bids and contracts, shall be open at all times to the examination of the association or a committee appointed by the association. In witness whereof the members of this association have hereunto subscribed their names and affixed their seals.

Art. 7. Sec. I. It shall be the duty of the president to preside at all meetings.

Sec. II. In the absence of the president it shall be the

duty of the vice president to preside at the meetings and to perform the duties of the president, or in the event of the absence of both, the members shall choose one of their number to preside.

Sec. III. It shall be the duty of the secretary to give notice of and attend all meetings of the association, to keep a record of all its doings, to keep a list of members of the association, to collect all of the assessments and dues of the association, to prepare under the direction of the president an annual report of their transactions and the condition of the association, to perform all duties which shall be required of him by the association and generally to devote his best efforts to forward the interests and aims of the association.

Sec. IV. It shall be the duty of the treasurer to receive from the secretary all moneys collected by him, receipting for same and hold them subject to the draft of the proper officials. He shall also, for the information of the association, submit a monthly report of his work.

Art. 8. Sec. I. There shall be an annual meeting for the election of officers and the transaction of other business in May of each year, exact date of such meeting to be fixed by the president, or by the association at the regular preceeding meeting, notice of which shall be mailed to each member of the association at least two weeks prior to the holding thereof.

Sec. II. A regular meeting of the association shall be held during each month, the date and place of which shall be fixed at the preceeding meeting of the association. Special meeting may be called by the president, but at least five days' notice must be given of the time and place of holding such meeting.

Art. 9. Sec. I. The president, vice president, secretary and treasurer shall be elected by ballot at each annual meeting and they shall continue in office for one year or until their successors are elected.

Sec. II. In balloting for officers, the secretary shall call the roll of members in good standing. Each member or firm shall have one vote. A majority of all votes cast shall be necessary for an election.

Art. 10. Sec. 1. These articles may be amended at an an-

nual or any regular meeting of the association by a two-thirds vote of all the members present, and the amendment as passed shall be subject to ratification at the next regular meeting.

By-Laws.

Order of Business.

Roll call.
Reading of minutes of last meeting.
Enrollment of new members.
Report of secretary and of treasurer.
Report of committees.
General business.
Election of officers (at annual meeting).
Selection of place and date for next meeting.
Adjournment.

EXHIBIT NO. 2 TO ANSWER OF SOUTHERN RAILWAY, ET AL.

H. H. Tift, et al.,
vs.
Southern Railway, et al.

499.

Circular Letter No. 15. Series 1902-1903.

The Southeastern Freight Association.

Articles of Association of the Southeastern Freight Association.

(Printed and Distributed October 4th, 1902.)

For the purposes set forth in the following articles, the companies subscribing hereto form the Southeastern Freight Association.

Article I.

Section 1. An executive board is hereby created, composed of either the president, vice president, general manager or other officer of each member of the association, as designated annually by such member; but each officer thus desig-

nated may appoint any other officer or agent of his company, as proxy, with power to represent him at any meeting of said board.

Sec. 2. The executive board shall elect its own chairman. Said board shall also elect the chairman of the association, and shall fix his term of service and salary. All expenses of the association shall be subject to the review and approval of the executive board, or of a committee to be appointed by said board.

Sec. 3. The executive board shall meet upon the written request of two or more members thereof, or upon the call of its chairman.

Sec. 4. A majority of the members of the executive board, present or represented by proxy, shall constitute a quorum.

Sec. 5. It shall require the unanimous action of those present, in person or by proxy, to adopt any motion or resolution that may be made before the executive board.

Sec. 6. The executive board shall have power to reconsider any subject that may have been considered by the conference committee hereinafter provided for.

Article II.

Section 1. Each member of the executive board shall appoint a traffic officer of his company, and such traffic officers thus appointed shall constitute a conference committee. Any traffic officer appointed a member of the conference committee may appoint any other officer or agent of his company as proxy, with power to represent him at any meeting of said committee. A majority of the members of the conference committee, present or represented by proxy, shall constitute a quorum.

Sec. 2. Any member of this association proposing to make any change in its rates, rules or regulations, will suggest the same to said conference committee for consideration and interchange of views, before such change shall take effect; but it is distinctly understood that each member reserves to itself at all times the right to take separate and independent action on each and every subject, whether suggested to said conference committee or not.

Article III.

Section 1. Upon complaint to the chairman of the association that illegal devices have been resorted to, whether by secret rebates, or drawbacks, or payment of commissions, or underbilling of weights, or otherwise, he shall make an investigation thereof and he or his representative shall be given access to the records of all members of this association, so far as the same may pertain to the traffic with reference to which such complaint may have been made.

Article IV.

Section 1. The association expenses shall be apportioned fairly between the members by the executive board, and upon the basis so fixed by the board, the chairman of the association shall have authority to collect the same.

Article V.

Section 1. Any member retiring from this Association before the expiration of the time herein fixed, except by unanimous consent, shall not be released from its obligations to contribute its share of the Association expenses, as the same may be fixed by the Executive Board.

Article VI.

Section 1. It shall be the duty of the chairman to preside at all meetings of the conference committee; to keep the records of the association; to receive from each member of the association copies of tariffs or rates established by said member; to compile, print and distribute such tariffs or rates in conformity with the interstate commerce act and other laws; to formulate and distribute such statistical information as may be called for by the conference committee or by the executive board, any expense incurred in collecting such information to be apportioned among the interested members by the chairman of the association. Each member will furnish such reports of freight traffic, and other statistical data, as may be called for by the chairman of the association. The chairman shall also receive and list for discussion subjects coming before the conference committee, conduct all correspondence that may be necessary, and communicate such information as to the records of the association as may be requested by members and others interested.

Sec. 2. Each member shall, at the time of issue, file with the chairman of the association copies of all tariffs or rates that may be issued by such member and in which any other member may be interested.

Article VII.

Section 1. Nothing herein contained shall be so construed as to confer upon a majority, or any number of members of this association, the power or authority to make rates or tariffs upon the line of any other member of this association, or to make joint rates or tariffs for any other member. Nothing herein contained shall be so construed as to confer upon the executive board, or the conference committee, or the chairman of the association, or the chairman of the executive board, or upon any other committee or officer of this association, the power or authority to make rates or tariffs upon the line of any member of this association, or to make joint rates or tariffs for any member of this association; it being distinctly understood that each member of this association expressly reserves to itself the exclusive power to make rates and tariffs on its own line, and to itself and its connections the exclusive power to make joint rates and tariffs, free from the dictation or control of any other member or members.

Article VIII.

Section 1. The articles of this association shall relate to the territory lying south of the Potomac river to the Virginia-West Virginia State line, then via said line to Bristol, Tenn., through and including Middlesboro, Ky., Jellico and Harriman Junction, Tenn., to and including Chattanooga, Tenn., and on and south and east of a line from Chattanooga, Tenn., via the Alabama Great Southern Railroad to Birmingham, Ala., thence via Southern Railway to and including Selma, Ala., thence via Western Railway of Alabama to and including Montgomery, Ala., thence via the Atlantic Coast Line Railroad through Valdosta, Georgia, Jasper, Live Oak and Lake City, Fla., to Jacksonville, Fla., including points on the line from Montgomery to Jacksonville, thence via the South Atlantic seaboard to the Potomac river. Said articles shall relate to the rail lines and steamship lines which are now, or may hereafter become, members of this association.

Sec. 2. Said articles shall relate to traffic having origin or destination within the territory above defined, in which two

or more members of this association may be interested, except that said articles shall not relate to traffic between any two points north of the Virginia-North Carolina State line; nor to traffic between points on the designated northern and western boundary lines and points outside of the territory as above defined; nor to traffic from or through North Atlantic ports to South Atlantic ports, proper, or from South Atlantic ports, proper, to or through North Atlantic ports; nor to coke and bituminous coal.

Article IX.

Section 1. No change shall be made in these articles of association except by consent of each member of the association.

Article X.

Section 1. These articles of association shall become effective the 13th day of August, 1902, and continue in force until April 30, 1903.

Atlanta & West Point R. R.
Atlanta, Knoxville & Northern Railway Co.
Atlantic Coast Line Railroad Co.
Atlantic, Valdosta & Western Ry. Co., by Georgia Southern & Florida Ry. Co., Agent.
Brunswick & Birmingham Railroad Co.
Central of Georgia Railway Co.
Charleston & Western Carolina Railway Co.
Chesapeake Steam Ship Co.
Clyde Lines.
Columbia, Newberry & Laurens Railroad.
Florida East Coast Ry.
Georgia R. R.
Georgia, Florida & Alabama Railway Co.
Georgia, Southern & Florida Ry. Co.
Jacksonville & Southwestern Railroad Co.
Macon & Birmingham Railway Co.
Merchants & Miners Transportation Co.
New York & Texas Steamship Co.
Norfolk & Western Railway Co.
Ocean Steamship Co. of Savannah.
Old Dominion Steamship Co.
Seaboard Air Line Railway.
Southern Railway Co.
Virginia & Southwestern Railway Co.
Western & Atlantic R. R.
Western Railway of Alabama.
Wrightsville & Tennille R. R. Co.

EXHIBIT NO. 3 TO ANSWER OF SOUTHERN RY., ET AL.

H. H. Tift et al.
vs.
Southern Ry. et al.

Fir Lumber, Carloads.

To	Tacoma, Wash.			Portland, Ore.			Seattle, Wash.		
	Rate	Dist.	Rate per ton Pr mile	Rate	Dist	Rate per ton Pr mile	Rate	Dist.	Rate per ton pr mile
Chicago	50	2321	.0043	50	2292	.0043	50	2222	.0045
St. Paul	40	1912	.0042	40	1862	.0043	40	1813	.0044
Omaha	50	1913	.0052	50	1799	.0055	50	1923	.0052
Kansas City	50	2069	.0048	50	2029	.0049	50	2089	.0048
St. Louis	52.5	2331	.0045	52.5	2312	.0045	52.5	2351	.0045
Cleveland	60	2660	.0045	60	2631	.0045	60	2561	.0047
Pittsburg	62.5	2789	.0045	62.5	2760	.0045	62.5	2690	.0047
Cincinnati	60	2620	.0046	60	2590	.0048	60	2521	.0048
Evansville	60	2495	.0048	60	2477	.0048	60	2515	.0048

EXHIBIT NO. 4 TO ANSWER OF SOUTHERN RY. ET AL.

H. H. Tift et al.
vs.
Southern Ry et al.

Rates on Pine Lumber from Points in Michigan.

	Bay City, Mich.			Grand Rapids, Mich.			Manistee, Mich.		
	Rate	Miles	Per ton Pr mile	Rate	Miles	Per ton Pr mile	Rate	Miles	Per ton Pr mile
Cincinnati	13	350	7.4	13	309	8.4	16	424	7.6
Louisville	17	421	8.1	14	352	8.	19	467	8.1
Evansville	18.5	499	7.4	15.5	428	7.2	20.5	569	7.2
Cairo	21	495	8.5	19	440	8.6	21	554	7.6
Columbus	12	277	8.7	12	289	8.3	15	403	7.4
Cleveland	11	260	8.6	12	279	8.6	14	390	7.2
Indianapolis	13	330	7.9	11.5	261	8.8	16	376	8.5
Terre Haute	15	377	8.	12	310	7.7	16.5	425	7.8
Pittsburg	14	391	7.16	14.5	414	7.	17	525	6.47
Chicago	10	299	6.68	9.	245	7.34	10	303	6.6

	Port Huron, Mich.			Saginaw, Mich.			Traverse City, Mich.		
	Rate	Miles	Per ton Pr mile	Rate	Miles	Per ton Pr mile	Rate	Miles	Per ton Pr mile
Cincinnati	12	320	7.5	13	338	7.7	18	454	7.9
Louisville	15	430	7.	17	410	8.3	19	497	7.6
Evansville	20.5	491	8.4	18.5	484	7.6	21.5	604	7.2
Cairo	21	487	8.6	21	483	8.7	24	588	8.2
Columbus	11.5	241	9.5	12	265	9.1	17	437	7.8
Cleveland	11	230	9.6	11	248	8.9	16	387	8.3
Indianapolis	11	322	6.8	13	318	8.2	17	406	8.4
Terre Haute	12	395	6.1	15	565	7.2	17	453	7.5
Pittsburg	14	365	7.67	14	383	7.31	18	522	6.89
Chicago	10	335	5.97	10	283	7.06	13	334	7.78

EXHIBIT NO. 5 TO ANSWER OF SOUTHERN RY. ET AL.

H. H. Tift et al.
vs.
Southern Ry. et al.

Rates on Yellow Pine Lumber, Carloads.

From	To	Chicago, Ill.			Detroit, Mich.			Cleveland, Ohio.		
		Rate	Miles	Per ton Pr mile	Rate	Miles	Per ton Pr mile	Rate	Miles	Per ton Pr mile
Cincinnati		10	299	6.7	10	263	7.6	10	243	8.2
Louisville		11	304	7.2	12	373	6.4	13	353	7.4
Evansville		10	287	7.0	12	433	5.5	14	451	6.2
Cairo, Ill.		10	365	5.5	14	541	5.2	15	559	5.4

	Indianapolis, Ind.			Pittsburg, Pa.		
	Rate	Miles	Per ton Pr mile	Rate	Miles	Per ton Pr mile
Cincinnati	7	110	12.7	10	309	6.5
Louisville	8	110	14.5	14	419	6.7
Evansville	7	168	8.3	16	541	5.9
Cairo, Ill.	9	276	6.5	18	649	5.5

EX. NO. 6 TO ANSWER OF SOUTHERN RY. ET AL.

H. H. Fift et al.
vs.
Southern Ry. et al.

To Chicago, Ill. From	Old Rate	Proposed Rate	Tap Line Proportion	Arbitrary beyond Ohio River, including bridge tolls	Proportion of Old Rate Tifton to Ohio River	Proportion of New Rate Tifton to Ohio River	Short Line Mileage Tifton to Ohio River	Old Rates per ton per mile, according to lines, Tifton to Ohio River	New rates per ton per mile, according to lines, Tifton to Ohio River
T. & N. E.									
Brighton, Ga...	25	27	2½	11	11½	13½	669	03⁴	04
Pinetta, Ga..	..25	27	2½	11	11½	13½	669	03⁴	04
T. T. & G.									
Coolidge, Ga....	26	28	3	11	12	14	669	03⁶	04²
Kingwood, Ga..	26	28	2½	11	12½	14½	669	03⁷	04³
To Detroit, Mich. From									
Brighton, Ga...	29	31	2½	10	16½	18½	669	04⁹	05⁵
Pinetta, Ga....	29	31	2½	10	16½	18½	669	04⁹	05⁵

To Chicago, Ill. From	Old Rate	Proposed Rate	Tap Line Proportion	Arbitrary beyond Ohio River, including bridge tolls	Proportion of Old Rate Tifton to Ohio River	Proportion of New Rate Tifton to Ohio River	Short Line Mileage Tifton to Ohio River	Old Rates per ton per mile, according to lines, Tifton to Ohio River	New rates per ton per mile, according to lines, Tifton to Ohio River
T. T. & G.									
Coolidge, Ga....	30	32	3	10	17	19	669	05^1	05^7
Kingwood, Ga..	30	32	$2\frac{1}{2}$	10	$17\frac{1}{2}$	$19\frac{1}{2}$	669	07^3	05^8
To Mt. Vernon, Ill., From									
Brighton, Ga...	22	24	$2\frac{1}{2}$	*5^7	13^8	15^3	669	04^1	04^6
Pinetta, Ga....	22	24	$2\frac{1}{2}$	*5^7	13^8	15^3	669	04^1	04^6
T. T. & G.									
Coolidge, Ga...	23	25	3	°5^9	14^1	15^6	669	04^2	04^7
Kingwood, Ga...	23	25	$2\frac{1}{2}$	°5^9	14^6	16^1	669	04^4	04^8

* Proportion byd. Ohio River out of New rate 6^2.
° Proportion byd. Ohio River out of New rate 6^4.

Filed June 22, 1905.

CECIL MORGAN,
Deputy Clerk.

535 APPLICATION FOR TEMPORARY RESTRAINING ORDER.

Order Filed June 26th, 1903.

In the Fifth Circuit Court of the United States, for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Company, et al.

To the Honorable, the Judge of the said Court:

Now comes the complainants in the above entitled cause by their counsel, and respectfully represent unto the Court as follows, to-wit:

First: That heretofore, to-wit, on the 14th day of April, 1903, your petitioners presented to the Honorable Emory Speer, one of the judges of said Court, their original bill in equity praying injunction and relief against the defendants therein named upon the cause of action therein stated, and also praying a temporary restraining order pending a hearing on said bill.

Second: That on said day, this Honorable Court acting through Honorable Emory Speer, one of the judges thereof, entertained jurisdiction of said bill, and granted a temporary restraining order enjoining and restraining the defendants named from putting into effect the proposed increase of rates of freight on lumber, from and to the points therein designated until the further order of the Court.

Third: That said original bill and restraining order were duly filed in the office of the clerk of this Court, and were duly served upon each of the defendants named.

536 Fourth: That on the 12th day of May, 1903, the cause came on to be heard under the rule against the defendants to show cause why the injunction should not be granted as prayed, and that after hearing evidence and argument of counsel and in consideration thereof, this Honorable Court entered an interlocutory decree overruling a demurrer to said bill, which had been interposed by the said defendants asserting jurisdiction of the Court to grant the relief sought

and dissolving the temporary restraining order under the following rule:

> "In case the respondents shall enforce the rates complained of and the complainants shall make proper application to the Interstate Commerce Commission to redress their alleged grievances; the Court will entertain a renewed application on the record as made and such appropriate additions thereto as may be proposed by either party enjoining the enforcement of such rates pending the investigation by the Commission unless otherwise dissolved, and on presentation to the Court of the report of the Commission, such other action will be taken as will be conformable to law and the principles of equity."

Fifth: That thereafter the defendants filed with the Interstate Commerce Commission, and gave public notice that on June 22nd, 1903, a revised tariff of freight rates on lumber from points of shipment in the State of Georgia to Chattanooga, in the State of Tennessee, and to points on the Ohio River, and beyond would be established and put into effect whereby the then existing rate on lumber from and to the points designated would be increased two cents per hundred pounds and in accordance with the aforesaid notice given by each of the defendants the said advance in rates of two cents per one hundred pounds did become effective on the 22nd day of June, 1903, and is now in force from all shipping points in Georgia to the destinations herein above specified.

Sixth: That subsequently, to-wit: on the 23rd day of June, 1903, your petitioners filed with the Interstate Commerce Commission at the City of Washington, their formal complaint against each of said defendants, praying that they and each of them be required to answer the charges in said
537 complaint contained, and that after due hearing and investigation an order or orders be issued commanding the defendants and each of them to wholly desist from each and every of the alleged violations of the Act to regulate commerce, and particularly from continuing to exact and enforce the advanced rates therein complained of, and for such other and further order or orders as the Commission may deem necessary in the premises, or complainants cause, may appear to require. A certified copy of said complaint is here to attached marked Exhibit "A," which petitioners pray may be taken as a part of the record in this case.

Wherefore for causes stated therein and in said original bill, your petitioners pray that this Honorable Court will grant an interlocutory order or decree restraining and enjoining the defendants named in said original bill, and each of them, from continuing to enforce the advanced rates on lumber from points of shipment within the State of Georgia to Chattanooga, in the State of Tennessee, and to points on the Ohio River, to-wit: Cincinnati, Evansville, Henderson, Louisville, East St. Louis and St. Louis, and to points beyond, and that said defendants and each of them be commanded and required to wholly cease and desist from continuing to exact and enforce the advanced rates complained of, such restraining and mandatory order to continue in force pending the investigation instituted before the Interstate Commerce Commission, or until further order of this Honorable Court.

And petitioners will ever pray, etc.

ELLIS, WIMBISH & ELLIS,
F. G. BOATWRIGHT,
Solicitors for Complainants.

W. D. Ellis, W. A. Wimbish, of Counsel,
523 Prudential Building, Atlanta, Georgia.

Interstate Commerce Commission.

Washington.

I, Edward A. Moseley, Secretary of the Interstate Commerce Commission, do hereby certify that the paper hereto attached is a true copy of the complaint filed with said commission on the 23rd day of June, 1903, by H. H. Tift, et al., against the Southern Railway Company, et al., the same being numbered 698, upon the docket of said Commission.

In testimony whereof, I have hereunto set my hand and affixed the seal of the said Commission, at the City of Washington, District of Columbia, this 24th day of June, A. D. 1903.

EDW. A. MOSELEY,
Secretary of the Interstate Commerce Commission.

Before the Interstate Commerce Commission.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company,

vs.

Southern Railway Company, Atlantic Coast Line Railway Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga and St. Louis Railway Company, Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida [Florida] Railway Company, Macon & Birmingham Railway Company and the Southeastern Freight Association and S. F. Parrott, Chairman of said Southeastern Freight Association.

The petition of the above named complainants, respectively shows:

1. That the complainants, H. H. Tift, of Tifton, Georgia; W. S. West, of Valdosta, Georgia; J. Lee Ensign, of Tifton, Georgia; J. S. Betts & Company, of Ashland, Georgia, and Garbutt Lumber Company, a corporation of Wright, Ga., Alapaha Lumber Company, a corporation of Alapaha, Ga., and the Southern Pine Company, a corporation of Savannah, Georgia, are members of the Georgia Saw Mill Association, a voluntary association, and that said complainants with other members of said association, the total membership of which exceeds 140, are engaged in the manufacture of yellow pine lumber in the States of Georgia, Florida and South Carolina, and the shipments thereof over lines of the defendants from points in said States to points in other States of the United States. That said Georgia Saw Mill Association was organized and is maintained to promote and protect by proper and lawful means the interests of the yellow pine industry in the States of Georgia, Florida and South Carolina, and that this proceedings is instituted by complainants in behalf of themselves and all members of the said Georgia Saw Mill Association, and in the interest of localities wherein members of said Association do business and of the public generally.

II. That defendants above named except the Southeastern Freight Association are common carriers engaged in the transportation of lumber and other property as interstate commerce wholly by railroad from points in the State of Georgia, to points in the States of Tennessee, Ohio, Kentucky, Indiana, Illinois, Missouri and other States of the United States over

their own roads or in connection with those of other common carriers according as their several lines or routes may run. That each of said defendants maintains and operates lines of railway within the State of Georgia, employed in the aforesaid transportation of lumber and other property as interstate commerce, and that as such common carriers the said defendants are and such of them is subject to the provisions of an Act to Regulate Commerce, approved February 4th, 1887, and acts amendatory thereof, or supplementary thereto. That the defendant, the Southeastern Freight Association is an organization composed of the other defendants herein and other common carriers operating in the States of Georgia, Florida, South Carolina and other Southeastern States of the United States, and that said Association was organized and maintained under agreements and for purposes including the fixing and maintainance of rates, fares and charges of competing traffic, which result in the fostering of monopoly and the destruction of fair competition between the carriers embraced in its membership and in establishing and continuing in force, unreasonable, unjust and wrongfully prejudicial transportation rates and charges upon traffic carried over the lines of such common carriers, members of said Association, and to the unlawful injury and prejudice of complainants and other members of said Georgia Saw Mill Association, and the localities wherein they are engaged in business. That the principal office of said Southeastern Freight Association is in the City of Atlanta, in the State of Georgia; and that the defendant, S. F. Parrott, of Atlanta, Georgia, is chairman of said Association, and as complainants are informed and believe, is the chief executive officer thereof, and has charge of its affairs.

Three: That ten days or more prior to the 15th day of April, 1903, each of the defendant railway companies gave public notice that on said April 15th, 1903, a revised tariff of freight rates on lumber from points of shipment in the State of Georgia, to Chattanooga in the State of Tennessee, and to points on the Ohio River and beyond would be established, and put into effect, whereby the then existing rate on yellow pine lumber from and to the points designated would be increased 2 cents per 100 pounds. That subsequently the said advance in rates was cancelled or withdrawn by said defendants, in consequence of the filing by these complainants of a bill in equity in the Circuit Court of the United States for the Southern District of Georgia, and the issuance by the

ber, and this subjects the shipper to an additional expense from 2 1/2 to 3 dollars per car, aggregating on the traffice [traffic] from Georgia points, of from $50,000 to $100,000 per annum, and upon the weight of these standards, strips and supports furnished by the shippers, to enable him to use the cars of defendants; the shipper is compelled to pay freight amounting to $2.00 or more per car. That in the destination territory here involved, complainants and their co-members of the Georgia Saw Mill Association have at great expense and in direct competition with lumber coming from Canada, northern parts of the United States and the Pacific coast, created a market for their product. That under the increased rates now in effect, complainants and other shippers of yellow pine lumber will be unable to compete with other woods in the markets of the destination territory involved, and will be compelled to retire from such competition and the large product already specially manufactured to meet the popular demand in that territory will remain in the hands of the manufacturers in Georgia, and for want of market be practically worthless. That the cost of producing yellow pine lumber has materially increased while the market value thereof has remained practically the same, there has been no increase in the prices of such lumber over those obtainable January 1st, 1902. That the minimum cost of production can only be obtained when conditions permit maximum production and sale. That an element or condition operating to greatly increase the cost of production and restrict distribution have been failure on the part of the defendant railway companies to furnish cars for the transportation of lumber, thereby causing congestion at manufacturing points and this has resulted in great depression in business and cancellation of orders for large quantities of lumber here in question, while on the contrary, the gross and net revenues of the defendant carriers in recent years have rapidly and steadily increased.

VII. That the increased rate herein complained of apply under the several tariffs of the defendant railway companies, either on yellow pine lumber or upon common lumber generally, and rates on the better grades and kinds of lumber are not thereby practically affected in as much as only a trifling amount of high grade yellow pine lumber is shipped to the destination territory involved. That this operates to the wrongful disadvantage and prejudice of yellow pine lumber and those engaged in its manufacture, shipment and sale.

VIII. That the defendants by establishing, maintaining and enforcing the advance in rates herein above specified have been and are subjecting complainants and other members of the Georgia Saw Mill Association to unreasonable and unjust transportation charges and the said rates now in force and exacted by defendants for the aforesaid transportation of lumber are unreasonable and unjust. That said advance will amount in all cases to as much as 2 cents per 100 pounds, and in some cases to as much as 5 cents per 100 pounds. That the aforesaid advance in rates on lumber also subjects complainants and other members of said Georgia Saw Mill Association, their traffic and the localities wherein they do business, to unjust discrimination and undue and unreasonable prejudice and disadvantage. That by promulgating and enforcing the advance in rates aforesaid, the defendants have been and are acting in violations of said act to regulate commerce, particularly Sections One, Two and Three thereof.

IX. That upon information and belief, complainants allege that the defendant Southeastern Freight Association is employed by the defendant railway comanies [companies] and other carriers, members of the Association, as an irresponsible medium through and by which to effect a lessening of competition in transportation rates and facilities, the exaction of higher transportation charges than would be in effect under conditions of unrestricted competition between the defendant railway carriers, and the withholding of transportation facilities, such as the furnishing of cars, and the prompt forwarding and delivery of traffic, which would be freely provided by the defendant railway carriers in the absence of the undertakings, agreements and methods of operations determined by or resulting from meeting of the members of such Association in order to carry out the real purposes thereof. That while nominally any railway company, member of such Association may fix its own rates and promulgate its own tariffs, and is not bound by any written contract to change its rates so as to conform to the rates of other carriers, yet in point of fact as complainants are informed and believe there is an understanding generally acted upon by members of such Association under which these results are brought about. That in the matter of the increased rates on lumber herein complained of, the various lumber carrying roads, defendants herein, have acted in concert and have acted through said Southeastern Freight Association, and have singled out lumber as a com-

modity upon which this extra burden shall be laid, notwithstanding some, if not all, of the railway companies would derive an equal and apparently much greater benefit from the laying of increased rates upon other products. That by acting as aforesaid, the said defendant railway companies, the said Southeastern Freight Association and S. F. Parrott, the chairman and executive officer of said Association have brought about and made practicable the perpetuation of the aforesaid violations of said Act, to regulate commerce, and have been and are in continuing to carry out the purposes of said Association further violating the provisions of said act to regulate commerce.

Wherefore complainants pray that the defendants and each of them be required to answer the charges herein, and that after due hearing and investigation, an order or orders be issued commanding the defendants and each of them to wholly desist from each and every [one] of the aforesaid violations of said Act to Regulate Commerce, and particularly from continuing to exact and enforce the advanced rates herein complained hereof, and for such other and further order or orders as the commission may deem necessary in the premises for complainants cause may appear to require.

Dated at Washington, D. C., June 23, 1903.

ELLIS, WIMBISH & ELLIS,
F. G. BOATWRIGHT,
Solicitors for Complainants.

Office and Post-Office address, 525 Prudential Building,
Atlanta, Georgia.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Company, et al.

The above entitled cause coming on to be further heard upon an application this day presented to the Court by complainants seeking an injunction to restrain further carrying into effect of the rates complained of in the original bill, and setting forth and alleging that an application is now pending before the Interstate Commerce Commission for determination of the reasonableness or unreasonableness of such rates,

it is therefore ordered, considered and adjudged, that a copy of said petition be served upon said defendant railway companies together with a copy of this order; that the defendants show cause before me at Mount Airy, in Habersham County, Georgia, on the 9th day of July, 1903, at 9 A. M. o'clock A. M., why the prayer in said petition set forth should no be granted, and why injunction should not issue restraining the further enforcement of the rates of freight complained of, until final determination of the complaint made before said Interstate Commerce Commission or until further order or decree by this Court.

This 26th day of June, 1902.

EMORY SPEER, Judge.

Telegrams Sent and Received Over the Lines of the Western Union Telegraph Co.

Union Station, Nashville, Tenn., June 27, 1903.

Hon. John I Hall,
Macon, Ga.

Telegram of 26th received, you are authorized to acknowledge service for this Company.

CLAUDE WALLER,
942A Gen'l Counsel.

Columbus Ga., June 26, 1903.

John I. Hall,
Macon, Ga.

Acknowledge service in my name for my road.

L. F. GARRARD.

Atlanta, Ga., June 26. 1903.

John I. Hall,
Macon, Ga.

Telegram advising setting lumber case received. Please acknowledge service for me of amendment.

732P ALEX C. KING.

Brunswick, Ga., June 26th, 1903.

John I. Hall,
Macon, Ga.
Your wire date. Yes you can acknowledge service for Atlantic Coast Line. When will copy amendment be furnished me by Wimbish & Ellis.

W. E. KAY.

Atlanta, Ga., June 26th, 1903.

Judge John I. Hall,
Macon, Ga.
You are authorized to acknowledge service for mw [me] for S. A. L.
6.04P

E. T. BROWN.

Savannah, Ga., June 26, 1903.

John I. Hall,
Your wire date. Tift case acknowledge service for us.

LAWTON & CUNNINGHAM.

ACKNOWLEDGMENT OF SERVICE.

Due and legal service of the foregoing petition as amendment acknowledged, copy, subpoena and a copy subpoena and service there of waived. June 29, 1903.

JOHN I. HALL,
General Counsel for G. S. & F. Ry. Co.
CLAUDE WALLER,
General Counsel for N. C. & St. L. Ry. Co.
LOUIS F. GARRARD,
Counsel for Macon & Birmingham Railroad Co.
ALEX C. KING,
Counsel for Louisville & Nashville Railroad Co.
W. E. KAY,
Counsel for Atlantic Coast Line Railroad Co.

E. T. BROWN,
Counsel for Seaboard Air Line Railway Co.
LAWTON & CUNNINGHAM,
General Counsel for Central of Ga. Ry. Co.
Per JOHN I. HALL, By Authority
Contained in Telegrams Attached.

"Endorsement:" In the Fifth Circuit Court, Southern District of Georgia, Western Division. H. H. Tift, et al., vs. Southern Railway Company, et al. In Equity. Application for temporary restraining order, etc. Filed June 26th, 1903. L. M. Erwin, Deputy Clerk.

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538 JOINT AND SEVERAL ANSWERS OF THE SOUTHERN RAILWAY COMPANY, ET AL.

In the Fifth Circuit Court of the United States, for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

The joint and several answer of the Southern Railway Company, the Atlantic Coast Line Railroad Company, the Louisville & Nashville Railroad Company, the Nashville, Chattanooga & St. Louis Railway, the Seaboard Air Line Railway, the Central of Georgia Railway Company, the Georgia Southern & Florida Florida Railway Company, and the Macon & Birmingham Railway Company to the amended bill filed in the Fifth Circuit Court of the United States, for the Southern District of Georgia, Western Division, in the above entitled case against these respondents and others.

I.

These respondents respectively, not waiving the benefit of the demurrer heretofore filed by them, to the original bill in the above entitled case, and overruled by the Court, and now at all times hereafter saving to themselves the benefit of said demurrer for answer unto said amended bill, state that they admit the facts stated in the first paragraph of said amended bill.

II.

Respondents admit the facts stated in the second section of said amended bill.

III.

539 Respondents admit the facts stated in the Third section of said amended bill.

IV.

Respondents admit the facts stated in the fourth section of said amended bill.

V.

Respondents admit that thereafter each of them separately and independently filed with the Interstate Commerce Commission, and gave public notice that on June 22nd, 1903, a revised tariff of freight rates on lumber from points of shipment in the State of Georgia to Chattanooga, in the State of Tennessee, and to points on the Ohio River and beyond, would be established and put into effect by them respectively, whereby the then existing rate on lumber charged by them respectively from and to the points designated would be increased two cents per 100 pounds, and in accordance with the aforesaid notices given by each of the said respondents, the said advanced rate of 2 cents per 100 pounds did become effective on their respective lines, on the 22nd day of June, 1903 and is now in force from all shipping points in Georgia to the destinations herein above specified.

VI.

Respondents admit the facts stated in the Sixth Section of said amended bill, except that they are unable to state whether or not a certified copy of the complaint filed before the Interstate Commerce Commission is attached to the bill and marked Exhibit "A," as they have not seen said exhibit.

Respondents having fully answered, pray to be hence dismissed with their reasonable costs in this behalf expended.

JOHN I. HALL,
Solicitor for Georgia Southern & Florida Railway.

540 DORSEY, BREWSTER & HOWELL,
DESSAU, HARRIS & HARRIS,
Solicitors for Southern Railway Company.
LAWTON & CUNNINGHAM,
Solicitors for Central of Georgia Railway Company.
LOUIS F. GARRARD.
Solicitor for Macon & Birmingham Railway.
KING, SPALDING & LITTLE,
Solicitors.
ALEX C. KING,
Of Counsel for Louisville & Nashville Railroad Company.
KAY, BENNETT & CONYERS,
Solicitors for Atlantic Coast Line Railroad.
BROWN & RANDOLPH,
Attorney for Seaboard Air Line Railway.
CLAUDE WALLER,
Solicitor for N. C. & St. L. Railway.
ED. BAXTER,
Special Counsel for Respondents.

541 State of Georgia,
County of Bibb.

Personally appeared before me, Walter H. Beeks, a Notary Public, duly and regularly appointed, commissioned and qualified in and for the State and County aforesaid; William C. Shaw, who made oath in due form of law that he is the Vice-President of the Georgia Southern & Florida Railway Company, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief, and that he has affixed the common seal of the said corporation hereto as the answer of said company.

[Seal] WM. C. SHAW,
Vice-President of Georgia Southern & Florida Railway Company.

Sworn to and subscribed before me, this 6th day of July, 1903. Witness my hand and notorial [notarial] seal, at office in Macon, Georgia; the day and year aforesaid.

[Seal] WALTER H. BEEKS,
Notary Public, Macon, Bibb Co., Ga.

"Endorsement:" In the Fifth Circuit Court of the United

States, for the Western Division of the Southern District of Georgia. In Equity. H. H. Tift, et al., vs. So. Ry. Co., et al. Joint and several answers of the S. Ry. Co., et al., filed July 6th, 1903. Cecil Morgan, Deputy Clerk.

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542 SEPARATE ANSWER OF SAMUEL F. PARROTT, CHAIRMAN SOUTHEASTERN FREIGHT ASSOCIATION.

In the Fifth Circuit Court of the United States, for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. Bill. In Equity.
Southern Railway Company, et al.

This respondent reserving all right of demurrer or exception to the foregoing bill of complaint in the foregoing case, and amendment thereto which may have been, may be, or can be taken, and reserving all manner of benefits or advantage thereof, because of the many errors, uncertainties and imperfections in said bill of complaint, and the amenements [amendments] thereto contained, for answer thereto, or to so much thereof, as he is advised it is material or necessary for him to make answer, saith:

That he re-affirms and adopts as his answer in the foregoing matter the response heretofore filed by him in this honorable Court to the rule to show cause why an injunction should not be granted upon the foregoing bill of complaint. This respondent also adopts as his own each and every averment contained in the answer of the Southern Railway Company, and the other Railroad Companies, defendants in the foregoing case, so far as the same relates to the Southeastern Freight Association or this respondent, or so far as the same are responsive to any allegation of said bill of complaint or any of its amendments in any manner affecting said Southeastern Freight Association or this respondent.

543 This respondent also further answering, saith that he hath no power to make, alter or change a rate or rates for any of said railway companies, defendants in the above stated case, nor for any other railway company or transportation company, nor to make change or alter any

rate of freight of any sort, and denies that he or said Southeastern Freight Association have any such power or have ever attempted to exercise such power.

This respondent denies that he represents any railway company or transportation company in regard to making changing or altering any such rate of freight. He denies that he is the agent of said defendants, or any of them, or any other railway or transportation company in regard to making or altering any freight rate, and denies that he or said Southeastern Freight Association or that said railway companies defendants, or any other railway company through him or it, has promulgated any advance upon lumber tariffs set forth or complained of in said original bill, or any one of the amendments thereto, including the last amendment. This respondent avers that no declaration of any increase in said lumber rates, effective June 22nd, 1903, were ever made to or filed with the said Southeastern Freight Association or this respondent.

Having fully answered this respondent prays to be hence dismissed with its costs.

S. F. PARROTT,
Chairman.

By MASON, HILL & McGILL,
Attorneys.

Counsel:
MAYSON, HILL & McGILL,
Atlanta, Ga.

Indorsement: In Equity. In the Fifth Circuit Court of U. S., for Southern District of Georgia, Western Division. H. H. Tift, et al., vs. Southern Railway Co. Bill. Answer of Samuel F. Parrott, Chairman Southeastern Freight Association. Filed July 6th, 1903. Cecil Morgan, Deputy Clerk.

544 OPINION.

(July 16th, 1903.)

In the Circuit Court of the United States, for the Western Division of the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity. Bill, etc.
Southern Railway Company, et al.

W. D. Ellis, W. A. Wimbish and J. F. Boatwright, for the Complainants.

Ed. Baxter, J. J. Spalding, W. E. Kay, A. S. Erwin and E. T. Brown, W. P. Hill, for the Respondents.

SPEER, Judge.

This suit was brought by a large number of parties, who are engaged in the manufacture of Georgia Pine Lumber. They term themselves members of the Georgia Saw Mill Association. They sue as members of said Association and also in their separate capacities. The suit is brought against the Southeastern Freight Association and against a number of railroads, who are members thereof. Its purpose is to enjoin the defendants from enforcing an increase of 2 cents a hundred pounds in freight rate on yellow pine lumber, shipped from points in Georgia to Chattanooga and to Ohio River points and beyond. All of the complainants will be directly affected by the increased rates. All of the railway companies who are defendants, and the Southeastern Freight Association who represent them all have a direct interest in the result of the litigation.

545 It is alleged that the members of the Georgia Saw Mill Association have values invested in their business of about ten million of dollars. The value of the annual out put is estimated at seven millions, and of this out put a proportion amounting to not less than two million, five hundred thousand dollars in value is annually shipped to the western points, which will be affected by the proposed increase in rates. It is estimated that the increase of two cents a hundred pounds will amount to an aggregate of from one hundred and eighty thousand to two hundred thousand dollars per annum in freight charges. It is alleged that this increase of rates is not only unjust and unreasonable, but will be destructive of the business of complainants in the western

markets, which they now supply with the product of their mills. Generally speaking, they insist that with the large additional burden imposed by the increase, they will be unable to compete with mills, in fir, cedar and the like shipped to the same territory from the Pacific slope. The increase is alleged to be so unreasonable as to violate the principles of the common law controlling the business of common car [carrier], which forbid unusual charges and also violative of Section One, of the Interstate Commerce Act. It is charged to be the result of a combination and concerted action on the part of the defendant carriers, acting through the Southeastern Freight Association, which is alleged to be an irresponsible medium. This Association is also charged to be an illegal combination of conspiracy in restraint of interstate trade, and in violation of the Sherman Anti-Trust Act. The bill prays that the defendants be enjoined from putting into effect the proposed increased rate and also that existing rates be declared unjust and unreasonable in so far as they discriminate
against yellow pine lumber in favor of other products
346 or against Georgia points in favor of other localities,
and also in so far as they impose upon the complainants the burden of equipping cars at the expense of the shipper, that the Southeastern Freight Association be declared an illegal combination in restraint of interstate trade, and that the defendants be enjoined from continuing such illegal combination through that association in so far as concerns the rights and interests of the complainants.

A temporary injunction having been originally granted, and a rule nisi issued for the defendants to show cause why it should not be made permanent, a full hearing was had on the response to that rule. Demurrers to the bill for want of jurisdiction in the Court as a Court of Equity, and as a Court of the United States, were argued as a part of the hearing, and were overruled. The Court maintained its jurisdiction to grant the relief sought in case it should be made to appear that the contention of complainanats was meritorious.

The considerations submitted on the present hearing again at this finding, have not had the effect to change the opinion of the Court as to the correctness of its conclusion. It has been from time immemorial a basic obligation of a common carrier to receive and transport all goods offered upon receiving reasonable compensation. It follows that unreasonable charges for common carriage may not be lawfully enforced. The difference in the obligation of a common carrier and that of a private individual is that the former has undertaken a

duty to the public. Having undertaken that duty, it was settled by the common law that the common carrier
547 must carry for all to the extent of his capacity, without unjust or unreasonable discrimination, either in charges or in the facilities for actual transportation. Atchison, etc., R. Co. vs. Denver, etc., R. R. Co., 110 U. S., 567, Interstate Commerce v. Cincinnati, etc., R. Co., 167 U. S., 479. If this was true at common law, how much stronger is the obligations upon those vast public corporations of modern times, which, in consideration of the valuable franchises granted by the public, is engaged in the stupendous business of transporting freight and passengers. So universal is the reliance of the public upon these instrumentalities of modern commerce that their operation is indispensable to the very existence of our modern social life. So fully is this recognized that the States have attempted their regulations through State Railroad Commissions, and the Government of the United States, through the Interstate Commerce Commission, has sought to regulate the commerce between the States. This act of Congress in so far as it inhibits carriers from the imposition of unjust and unreasonable rates, is an express adoption by the national legislature of the principles of the common law on this topic. 4 Thompson's Corporations, section 5547. Said Mr. Justice Brewer for the Supreme Court in Interstate Commerce Commission v. Cincinnati, etc., R. Co., 167 U. S., 479 (after stating that there were three courses open to Congress in regard to abuses of railroad companies in regard to interstate transportation).

548 "Congress might itself prescribe the rates or it might commit to some subordinate tribunal this duty or it might leave with the companies the right to fix rates subject to regulations and restrictions, as well as to that rule which is as old as the existence of common carriers, to-wit: that rates must be reasonable."

It is obvious that Congress adopted the method last mentioned. It thus created no new right in the shipper, but by embodying his right by the common law in a law of the United States, Congress enabled him in case of controversy to apply for relief to a Court having jurisdiction of controversies arising under the Constitution and laws of the United States. Clearly enough, the shipper of whom an unreasonable charge was exacted had the right to appeal to a Court for relief before the Interstate Commerce law was enacted. In Chicago, etc., R.

Co., v. Osborne, 52 Fed. 912, Mr. Justice Brewer remarks: "He who felt aggrieved by a charge could always invoke the aid of the Courts to protect himself against it." It is difficult to accept the argument that the Interstate Commerce Act was intended to deprive the shipper of his right. The Act was drawn with the broad purpose to facilitate Interstate Commerce and to restrict the arbitrary exercise of power by common carriers. It affords special remedies for this purpose, but these appear to us to have been intended to supplement and not to supplant the remedies which the citizen already enjoyed. This view is borne out by section 22 of the Interstate Commerce Act, which expressly preserves existing remedies, and by section 10 of the Act of March 2, 1889, which created the remedy by mandamus, and declared that it shall be cumulative only. This topic was discussed by Judge Hammond in the case of Little Rock, etc., R. Co., v. E. T., etc., R. Co. 47 Fed. 771. There the opinion of the learned
549 judge is an explicit affirmance of this view. Cognate questions were passed upon in the following cases: Union Pac. R. Co. vs. U. S., 106, U. S. 1, Kent. & Ind. Bridge Co. v. L. & N. R. Co., 37 Fed., 615. Chicago, etc., R. Co. vs. Burlington, etc., R. Co., 34 Fed., 481; U. S. vs. Missouri Pac. R. Co., 65 Fed., 903. From none of these cases is authority for the contrary view deducible. This being true the diverse citizenship of the parties is not essential to jurisdiction. The jurisdiction is immovably based upon the fact that the subject matter of the suit is a right claimed under the Act of Congress known as the Interstate Commerce Act, with its amendments. A lucid and what seems conclusive expression on this subject is that of Circuit Judge Taft in Toledo, etc., R. R. Co., v. Pa. Co., 54 Fed., 730:

"It is immaterial," said the learned judge, "what rights the complainant would have had before the passage of the interstate commerce law. It is sufficient that Congress in the Constitutional exercise of power has given the positive sanction of Federal law to the rights secured in the statutes and any case involving the enforcements of those rights is a case arising under the laws of the United States."

And said Chief Justice Marshal in Osborne v. Bank, 9 Wheat. 738:

> "We think then that when a question to which the judicial power of the Union is extended by the Constitution forms an ingredient of the original cause, it is in the power of Congress to give the Circuit Courts juris-

diction of that cause, although other questions of fact and law may be involved in it."

See also Kent. & Ind. Bridge Co. v. L. & N. R. Co., 37 Fed. 567-615. Ex parte Linnon 64 Fed. 320. And the same case 166 U. S. 548. In the latter case the opinion was rendered by Mr. Justice Brown, and that learned jurist quotes
550 with approval from Tennessee vs. Davis, 100 U. S., 257, 264, as follows:

"Cases arising under the laws of the United States are such as grow out of the legislation of Congress whether they constitute the right or privilege or claim or protection or defense of the party in whole or in part by whom they are asserted."

See also Oregon Short Line v. North Pac. 51 Fed. 456. Allen v. Oregon, etc., Co., 98 Fed. 16. DeBarry v. Jacksonville, etc., R. Co., 40 Fed. 292; Louisville, etc., R. Co. v. Behlmer, 175 U. S. 648; Central Stock Yards Co. v. Louisville, etc., R. Co., 118 Fed. 113, Augusta, etc., R. Co. vs. Wrightsville, etc., R. R. Co., 74 Fed., 522 (decision at Circuit by Judges Pardee and Speer). Oregon, etc., R. Co. vs. Northern Pac. Co., 61 Fed., 158. Chicago, etc., R. Co. vs. v. Burlington R. Co. 34 Fed. 418. Then it is clear that the Court of the United States has jurisdiction as such of this quest on arising under the Constitution and laws of the United States.

It is equally clear that the Court sitting in equity has jurisdiction to grant the specific relief prayed. It has long been the practice of the Courts in equity to grant injunction against extortionate charges and unjust discriminations. Menacho vs. Ward, 27 Fed., 529; Southern Express Co. vs. Memphis R. Co., 8 Fed. 799. Affirmed 10 Fed. 210, Co. vs. Louisville, etc., R. Co., 3 Fed., 775.

It is however insisted that this power of the Court cannot be exercised until the Interstate Commerce Commission has acted, but that Commission is expressly denied the power of injunction or any judicial power. That it has been conclusively held, remains with the Courts. Interstate Commerce vs. C. N. & O. T. P. R. Co., 167 U. S. 479. How then can it be said that the original and plenary power of the Court of equity in such matters must be postponed to await the action of the Interstate Commerce Commission? It is true
551 that the statute regulating Interstate Commerce permits a resort to the common law action for damages for violation of its provisions, and it is urged that this remedy

is exclusive. This does not follow. In the nature of things there must be a vast variety of controversies in which the remedy at law on an action brought by the individual wronged, is utterly inadequate to afford relief, either to the individual or to multitudes who are in a similar case with them. It is often in the power of a railroad company to greatly injure or wholly destroy one's business, or a general business of a particular class. In such injunction would be the appropriate remedy. So an injunction is granted to prevent illegal discriminations and illegal exactions in excess of rates fixed by law. This is upon the ground, in part, that the injury being a constantly recurring one, there is no adequate remedy at law. I. High on Injunc., Sec. 616, Rogers Loc. Wks. vs. Erie, etc., R. Co., 20 N. J. E. 379. A discrimination based upon the larger business done by the favored shipper, will be enjoined upon the ground of preventing a multiplicity of suits. I. High on Injunction, Sec. 621. It may safely be declared that a legislature will never be presumed to have denied by implications those general powers of a Court of equity which have been engrafted in our jurisprudence for "the corrections of that wherein the law (by reason of its universality) is deficient." Because one special remedy has been afforded it does not follow that the general powers of equity are annulled. In the case of U. S. vs. Union Pac. R. R. Co., 160 U. S. 1, it was held that an Act of Congress which imposed certain duties upon all railroads and telegraph companies, to which the United States had granted a subsidy, although giving a special remedy by mandamus, did
552 not deny to the United States the remedy which could be attained by a bill in equity. And the Court there announces the general doctrine:

"It is not enough that there is a remedy at law, it must be plain and adequate, or in other words as practical and efficient to the ends of justice and its prompt administration as the remedy in equity."

See also Watson vs. Southerland, 72 U. S., 5 Wall. 74, 79. Oelrichs vs. Spain, 82 U. S., 15 Wall. 211, 228. The last authority supports the proposition that where a direct proceeding in equity will save time, expense and a multiplicity of suits and settle finally the rights of all concerned in one litigation, the Court will entertain jurisdiction. In Schofield vs. Lakeshore, etc., R. Co., 43 Ohio St., 571, which was an application for injunction against a railroad to prevent unjust discrimination in freight rates, the Court said:

"We think the authorities abundantly show that in a case like the one at bar the plaintiff can seek relief by injunction and that it is an appropriate mode to determine the rights of the parties here without first resorting to an action at law. The plaintiffs have a manufacturing capacity of 150,000 barrels per year. Shall they be compelled to bring a separate action for each car load? We think that plaintiffs have a clear and undoubted right to come into a Court in equity and have the rights of parties determined in a single action."

See also Butchers, etc., Stock Yards Co. vs. Louisville, etc., R. Co. 67 Fed. 35. A case of special value because decided for the Circuit Court of Appeals by the late Mr. Justice Miller, is that of the Southern Express Co. vs. Memphis, etc., R. Co., 8 Fed. 799. In this case an injunction by the Express Company against the defendant inhibiting the latter from charging more than fair and reasonable rates was granted. Again in Chicago, etc., R. Co., vs. Minn., 134 U. S. 418. The same renowned Judge, concurring in the opinion of the Court, remarks:

553 "The proper if not the only mode of judicial relief against the tariff rates established by the legislature or by its commission is by a bill in chancery asserting its unreasonable character and its conflict with the Constitution of the United States and asking a decree of Court forbidding the corporation from exacting such fare as excessive or establishing its rights to collect the rates as being within the limits of just compensation for the service rendered."

It is scarcely necessary to cite authorities in support of the proposition that the question of reasonableness of the rate charged for transportation by a railroad company is peculiarly a question for judicial investigation and decision. The following authorities, however, will be instructive: Chicago, etc., R. Co. vs. Minnesota 134 U. S. 418. U. S. v. Missouri Pacific, 55 Fed. 903, Interstate Com. vs. Western, etc., R. Co., 38 Fed. 186.

It is equally clear that in this case the Court has jurisdiction in order to avoid a multiplicity of suits. It would be a reflection upon American jurisprudence, if such a multitude of complainants who have identical claims of right relative to the same subject matter against a multitude of defendants,

all of whom are public corporations who are alleged to be in a combination to inflict a common and simultaneous wrong on each and every complainant should be driven to the cost and expense of maintaining separate actions at law for each instance of such alleged wrong. With the same show of reason it might be insisted that each shipper should be driven to his separate protest against such rates, before the Interstate Commerce Commission. Modern jurisprudence would not tolerate methods so fraught with ruinous expense, harassing and destructive delay.

It follows from these considerations that complainants' bill is properly before the Court and must be maintained to adjust the rights of the contending parties as they are
554 finally to be ascertained. What those rights are in the present condition of the record may not be readily discerned. This is the second hearing of this cause. On the former hearing, after full argument, the Court dissolved the temporary restraining order which enjoined the respondents from forcing the rates complained of and in its decree used this language:

> "In case the respondents shall enforce the rates complained of and the complainants shall make proper application to the Interstate Commerce Commission to redress their alleged grievances, the Court will entertain a renewed application on the record as made, and such appropriate additions thereto as may be proposed by either party enjoining the enforcement of such rates, pending the investigation by the Commission, unless otherwise dissolved, and on presentation to the Court of the report of the Commission such other action will be taken as will be conformable to law and the principles of equity."

Since then the respondents have enforced the rates, which constitute the alleged grievance of the complainants. The complainanats it appears have appealed to the Commission, but the Commission has not yet taken action in such complaint. It is probable that this action will not be long delayed. It is probable that counsel in the cause will soon be enabled to present to the Court the report of the Commission. It is certain that this report will be of the utmost value for the proper determination of the important matter in controversy. In the meantime it does not appear that the injury complainants will sustain will be irreparable. The respondents are all solvent, probably all of them highly pros-

perous railway corporations. It will be easily competent for the complainants to keep careful account of all the charges claimed to be unreasonable and excessive exacted by the defendants on shipments of lumber to the Western territory described in the bill. If their contention shall be maintained, it will be competent for the Court in its final decree to direct the respondents or either of them to make restitution of sums thus exacted.

555 Indeed the learned special counsel for the respondents by his statement made in judicio, binds his clients to promptly repay to the complainants all such sums in case they shall finally prevail. Nor is it likely that in the interval which shall remain before the Commission will act that there will ensue any serious impairment of the business of complainants, or either of them. It is easily conceivable that a case or cases of this general character might be presented on which it would seem obligatory on the Court to grant an immediate injunction. Such injunctions however should not be granted save in cases of grave and compelling exigency. Judicial action should ever be conservative and rarely in such conservatism more plainly required than when the vast commercial operations involved in interstate transportation will be arrested or disturbed. In this case, the duty to grant the extraordinary order sought does not now seem imperative. The Court therefore, in view of the record, and of the considerations mentioned, will withhold further judicial action upon the application until properly apprised of the action of the Interstate Commerce Commission. When we shall have received the valuable assistance in the performance of the grave duty before us which must be expected from the conclusions of that authoritative and eminent body, such other and further action will be taken on this application as the law and the principles of equity will seem to direct.

Indorsement: U. S. Circuit Court, Western Division, Southern District of Georgia. H. H. Tift, et al., vs. Southern Railway Co., et al. Opinion. Filed in office July 16th, 1903. L. M. Erwin, Deputy Clerk.

557 1-2 GENERAL REPLICATION OF COMPLAINANTS.

In the Circuit Court of the United States for the Southern District of Georgia.

H. H. Tift, et al.,
vs. Bill.
Southern Railway Company, et al.

These replicants, saving and reserving unto themselves all and all manner of advantage of exception which may be had and taken to the manifold errors, uncertainties and insufficiences of the answer of said defendants, for replication thereunto, say that they do and will ever maintain and prove their said bill to be true, certain and sufficient in the law to be answered unto by said defendants, and that the answer of said defendants is very uncertain, evasive and sufficient in the law to be replied unto by this replicant without that that any other matter or thing in the said answer contained, material or effectual in the law to be replied unto, and not herein and hereby well and sufficiently replied unto, confessed or avoided, traversed or denied, is true, all such matters and things these replications are ready to aver, maintain and prove as this honorable Court shall direct, and humbly as in and by their said bill they have already prayed.

ELLIS, WIMBISH & ELLIS,
Solicitors for Plaintiffs.

Indorsement: United States Circuit Court, Western Division, Southern District of Georgia. H. H. Tift et al. vs. Southern Railway Company, et al. General Replication. Filed October 20, 1903. Cecil Morgan, Deputy Clerk.

558 PETITION FOR INJUNCTION.

Filed March 17, 1905.

In the Circuit Court of the United States for the Southern District of Georgia, Eastern Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Co., Garbutt Lumber Company, Alapaha Lumber Co., and Southern Pine Co.,

vs. In Equity. Bill.

Southern Railway Co., Atlantic Coast Line Railway Co., Louisville & Nashville R. R. Co., Nashville, Chattanooga & St. Louis Ry. Co., Seaboard Air Line Ry., Central of Georgia Ry. Co., Georgia Southern & Florida Ry. Co., Macon & Birmingham Railway Co., and the Southeastern Freight Association and S. F. Parrott, Chairman of said Southeastern Freight Association.

Petition of the complainants in the above entitled cause:

Now come the complainants in the above entitled cause and respectfully petition the Court as follows:

1. Upon the hearing of this cause on the rule to show cause why an interlocutory injunction should not be granted, and prayed in the bill against the defendants, and upon the hearing on the demurrer filed by the defendants to the original bill of the plaintiffs, this honorable Court on the 16th day of May, 1903, entered an order in the cause, overruling said demurrer, dissolving the temporary restraining order that had been theretofore issued, and providing among other things, as follows, to-wit:

"In case the respondents shall enforce the rates complained of and the complainants shall make proper application to the Interstate Commerce Commission to redress their al-

559 leged grievance, the Court will entertain a renewed application on the record as made, and such appropriate additions thereto as may be proposed by either party enjoining the enforcement of such rates pending the investigation by the commission, unless otherwise dissolved, and on presentation to the Court of the report of the Commission, such other action will be taken as will be conformable to law and the principles of equity."

Second: Subsequently, to-wit: on the 22nd day of June, 1903, the defendants put into effect an advance in the rates on lumber from Georgia points to Ohio River destinations of two cents per hundred pounds over the rates theretofore obtaining, whereupon on the 23rd day of June, 1903, petitioners following the suggestion contained in the order above quoted, filed with the Interstate Commerce Commission their complaint, praying that said advance on the rates on lumber between the points designated be declared to be unjust and unreasonable, and that the defendants, and each of them, be commanded to wholly desist from continuing to exact and enforce the advanced rates complained of, and for such other and further order or orders, as the Commission might deem necessary, or that might appear to be required. A copy of this complaint is herewith presented to the Court.

Third: To said complaint answer was duly made by the defendants, and on the issues raised, the Interstate Commerce Commission heard evidence and argument of counsel. After full consideration of the case, the said commission rendered its decision of date February 7th, 1905, sustaining the contentions of the complainants, and declaring said advance in the rates on lumber to be unjust and unreasonable, the
560 findings of the Commission being expressed in the following language:

> "We find and conclude that the said advance of two cents per hundred pounds in the rates on lumber from the said shipping points in Georgia to the said Ohio River crossings made effective June 22nd, 1903, was not warranted by the facts, circumstances and conditions disclosed by the testimony, and that the increased rates then put in force are unreasonable and unjust. An appropriate order will be issued in accordance with these conclusions."

The Commission also entered an order in said case, commanding the defendants, and each of them, to cease and desist on or before the first day of April, 1905, from further maintaining or enforcing said unlawful advance of two cents per hundred pounds, or the said unlawful rates and charges resulting therefrom, for the transportation of lumber in car load lots, from shipping points on the respective lines of the defendant railroad companies in the State of Georgia, to Ohio River crossings. Petitioners present herewith a certified copy of said report and opinion together with a certified copy of said order, and pray the usual leave of reference thereto.

Fourth: Pursuant to the leave granted by this honorable Court in its said order of May 16th, 1903, the complainants now present this their petition and respectfully pray:

That the Court will grant an injunction against the defendants, and each of them, enjoining the enforcement of advance in rates on lumber from Georgia points to Ohio river destinations, as prayed in the original bill.

That on the record the Court will enter a final
561 decree in favor of the complainants, granting the relief prayed in the original bill.

That a rule may issue requiring the defendants and each of them to appear at a time and place to be designated by the Court, then and there to show cause, why the relief prayed for in this petition and in the original bill should not be granted, and that in the meantime and until the further order of the Court, the defendants and each of them be temporarily restrained from enforcing or continuing to enforce the said advance in rates on lumber between the points designated.

That the Court will grant such other and further relief as the petitioners may be entitled to or as the facts of the case warrant.

ELLIS, WIMBISH & ELLIS,
Solicitors and Counsel for Petitioners.

"Order."

Upon reading and considering the foregoing petition, it is ordered that the defendants therein named and each of them be, and they are hereby commanded and required to appear before me at the United States Court Room in the City of Augusta, Georgia, at ten o'clock in the forenoon, on the 3rd day of April, 1905, then and there to show cause, if any they can, why the relief prayed in said petition and in the original bill in the cause should not be granted.

It is further ordered that a copy of the foregoing petition and of this order be served upon the solicitors of record for the defendants. Dated and signed at Savannah, Georgia, this March 17, 1905.

EMORY SPEER,
U. S. Judge.

Indorsement: No. 514. In Equity. Circuit Court U. S., Southern District Ga., Western Division. H. H. Tift, et al., vs. Southern Railway Co., et al. Petition for injunction. Filed March 17, 1905. S. F. B. Gillespie, Deputy Clerk.

PART II.

preme Court of the United States

No. 601.

SOUTHERN RAILWAY COMPANY, ET AL.,
Appellants,

versus

H. H. TIFT, ET AL.,
Appellees.

nscript of Record on Appeal from the United States Circuit Court of Appeals for the Fifth Circuit to the Supreme Court of the United States.

PRINT OF E. S. UPTON, NEW ORLEANS, LA.

20566.

Office Supreme Court, U. S.
FILED.
FEB 7 1907
JAMES H. McKENNEY,
CLERK.

TRANSCRIPT OF RECORD.

PART II.

UNITED STATES
CIRCUIT COURT OF APPEALS

FIFTH CIRCUIT.

NO. 1495

SOUTHERN RAILWAY COMPANY, ET AL.,
Appellants,

versus

H. H. TIFT, ET AL.,
Appellees.

Appeal from the Circuit Court of the United States for the Southern District of Georgia.

[ORIGINAL RECORD FILED AUG. 14, 1905.]

U. S. CIRCUIT COURT OF APPEALS,
FILED
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BEFORE THE

INTERSTATE COMMERCE COMMISSION.

H. H. TIFT ET AL.

vs.

SOUTHERN RAILWAY CO. ET AL.

HEARING AT ATLANTA, GA.,
OCTOBER 26, 27, 28, 29, 30, AND 31, 1903.

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BEFORE THE

INTERSTATE COMMERCE COMMISSION.

H. H. TIFT ET AL.

vs.

SOUTHERN RAILWAY CO. ET AL.

Hearing at Atlanta, Ga., October 26, 27, 28, 29, 30, & 31, 1903.

Present: Commissioners Knapp (chairman), Clements, Yeomans, Prouty and Fifer.

Appearances.

Ellis, Wimbish & Ellis and F. G. Boatright for complainants;
Ed Baxter for Southern Ry. Co., Atlantic Coast Line R. R. Co., Louisville & Nashville R. R. Co., N. C. & St. L. Ry. Co., Seaboard Air Line Ry. Co., Central of Georgia Ry. Co., Georgia Southern & Florida Ry. Co., Macon & Birmingham Ry. Co.
C. B. Northrop, for Southern Railway Company;
Mason, Hill & McGill for Southeastern Freight Association;
Kaye, Bennett & Conyers, for Atlantic Coast Line Railroad Company;
Brown & Randolph and Erwin & Erwin for Seaboard Air Line Railroad Company.

J. J. McAuliffe & J. H. Fishback, official stenographers.

1 UNITED STATES COURT-ROOM, ATLANTA, GA.,
October 26, 1903—10 a. m.

The Chairman: Gentlemen, please give us your attention. The Commission has assigned this time for hearing two cases involving rates on lumber from the South to destinations on and beyond the Ohio river, one brought by the Central Yellow Pine Association against The Illinois Central Railroad Company and others, and the other brought by H. H. Tift *et al.* against The Southern Railway Company and others.

It is immaterial to the Commission which of these two cases is taken up first. Of course if they can be heard together, with the understanding that the testimony given nominally in one shall be considered in the other so far as applicable, that will be the best course to pursue. However, the Commission desires to hear the cases in such order as will best accommodate counsel and other persons interested in attendance.

If the latter plan is considered impracticable or objectionable because of conflict of interests between the several complainants or for any other reason, then it would appear to be the most accom-
2 modating arrangement to take up first the case which can probably be heard in the shortest length of time. The Commission will be glad to have suggestions now from counsel as to the most desirable order of procedure in respect to these two cases. Mr. Miller, you represent the complainants in one case; what do you say?

Mr. Miller: It is our desire to accommodate ourselves to the wishes of the Commission in that respect. If the Commission is of the opinion that progress will be more rapidly made by consolidation of the two cases, then of course we will urge no objection to that course. We have had no opportunity, however, to consult with counsel for the Georgia Saw Mill Association in that respect.

The Chairman: It is immaterial to the Commission, and we will be glad to observe such order as will accommodate the largest number of gentlemen interested in the cases.

Mr. Miller: I understand that the Georgia Saw Mill Association case is first on the docket. Our case is set immediately afterwards. Mr. Wimbish is disposed to take up his case by itself, and we have no disposition to oppose any wish of his in that respect and we will submit to that order of procedure. I want to say before any-
3 thing is done that counsel is here representing the Mobile, Jackson & Kansas City, one of the parties named as defendants in the case of the Central Yellow Pine Association. That company disclaims any interest and it appears that no member of the Central Yellow Pine Association is located on that line. That company does not participate in the advance except as made necessary by the advance made by its connections. That being the case I have said to their counsel and now say to the Commission that we desire to dismiss the case as to that railroad, and we would like to have an order dismissing the complaint as to the Mobile, Jackson & Kansas City railroad.

The Chairman: If there is no objection, the complaint will be regarded as discontinued against the Mobile, Jackson & Kansas City Railroad Company. Mr. Baxter, have you any suggestion to make as representing the defendants as to the order of procedure?

Mr. Baxter: There is no objection to the cases being tried separately or together. As to the suggestion of the Commission that so far as applicable the testimony in one case, or so far as the testimony

in one case may be relevant and competent in the other is concerned it will save a great deal of time to have that understanding between counsel and the Commission.

The Chairman: It is certainly desirable to avoid duplicating the testimony.

Mr. Baxter: When a witness is put on in the Tift, if that is to be called first, counsel on either side may examine that witness on anything that relates to their cases so as not to be obliged to call that witness again and take substantially the same testimony in the other case.

Mr. Miller: We accept that suggestion, Mr. Chairman.

Mr. Wimbish: We rather doubt the propriety of the last suggestion. The conditions in Mississippi are different from those in Georgia. I am not familiar with much of the situation in Mississippi. I am afraid it would bring about confusion. Any testimony produced applicable to either case may be so applied, but I doubt the propriety of examining a witness in this case on questions not involved in this case.

The Chairman: We are not disposed to insist on taking up the two cases together if that course is thought objectionable by any parties to either case. We will go on with the case of H. H. Tift *et al.* against The Southern Railway Company, and later on if it appears that the testimony of some witness in that case can be stipulated into the other that of course can be done. We will ascertain the appearances of counsel in this case.

Appearances were noted as follows:

Ellis, Wimbish & Ellis and F. G. Boatright, for complainants.

Ed Baxter, for the Southern Railway Company, the Atlantic Coast Line Railroad Company, the Louisville & Nashville Railroad Company, the Nashville, Chattanooga & St. Louis Railway Company, the Seaboard Air Line Railway Company, the Central of Georgia Railway Company, the Georgia Southern & Florida, and the Macon & Birmingham Railway Company.

Mason, Hill & McGill, for the Southeastern Freight Association.

C. B. Northrop, for the Southern Railway Company.

Kaye, Bennett & Conyers, for Atlantic Coast Line Railroad Company.

Brown & Randolph and Erwin & Erwin for the Seabord Air Line Railway Company.

The Chairman: Mr. Wimbish, you may proceed. Do you desire to make a preliminary statement respecting this case?

Mr. Wimbish: If your honors please, we desire first to know if the defendant railroad companies are prepared to respond to the notice to produce.

The Chairman: Judge Baxter, it appears that in this case notice was given to the various defendants to produce certain papers and documents. Counsel for complainants ask if they are now ready to produce the information.

Mr. Baxter: If the Commission please, in response to the notice to be prepared to produce certain items of information the defendants represented by me will prepare and produce so soon as it can be done every item of information called for in said notice that can be obtained from its books or papers readily and without extraordinary expense and which has not heretofore been furnished to the honorable Interstate Commerce Commission in the annual reports, tariffs or other documents filed by each defendant with said Commission. Those items of information which will necessarily require each defendant to employ a large force of extra clerks for a long period of time to ascertain and compile they will also prepare and
7 produce by each defendant so soon as it can be done, provided that the expense of such preparation and production be tendered to such defendants, or in case petitioners will agree in proper form to pay to such defendants the actual cost or the amount actually paid out for such work, an accurate account of which will be kept by each defendant. Some of my clients represent that a single item will cost from five to seven thousand dollars to furnish. We rely upon the decision of the court of appeals in the case of Northern Pacific Railroad Co. *v.* Keys, 91 Federal Reporter, that we cannot be required to undergo that cost and expense unless the gentlemen who want us to prepare it will either tender us the money, or,—inasmuch as we do not now know what the cost will amount to,—they will agree to pay it. We will be perfectly willing to accept a stipulation or agreement from the complainants that they will pay us, and we will keep an accurate account of the expense and prove it to their satisfaction.

In other words, there is not an item of this information that we object to having come before this Commission as evidence in this case—not one of them—and every item that we can furnish
8 readily and without extraordinary expense we will go to the labor and expense of compiling that is to say, if we can use our ordinary force and our books without interfering with our other business, we will charge nothing for that compilation, but if we have to stop our other business to make up these reports that are called for, or if we have to bring outside help into our offices and take months in preparing the information, then we wish to raise the question now that carriers cannot be compelled to undergo that kind of expense. It is not a matter of a few hundred dollars, if the Commission please. It is a matter of thousands of dollars, and it is not this case alone, but various cases. Take such matter as we have already furnished the Commission in our annual reports and tariffs. Now some of the information called for is simply a matter of compilation of information available to them; it is simply a matter of compilation on their part or our part from records or data open to both of us, and there is no justice in requiring us to do it. We had to send to the office of the auditor of the Interstate Commerce Commission in order to get a complete history of these rates

from 1888 up to this time. We had to send two experts there to put them to work upon the tariffs of the Commission, which work took several months and cost us over $900. The complainants have the same access to these records as we have, and we think it is unjust that these defendants should be required to make up expensive statistics for the benefit of our opponents. We will do it if they will pay us for it, but we do not think we ought to be saddled with this onerous expense.

Commissioner Clements: What items will it cost six or seven thousand dollars to prepare and furnish?

Mr. Baxter: The cost differs with the different items, and different companies. I have made a general statement, and I suppose the practice would be for Mr. Wimbish to call upon each of the defendants and let each answer for itself. I have made a general statement so that the Commission might understand our position.

Commissioner Clements: I didn't know but what there was some particular item that would cost considerably more than any others.

Mr. Baxter: Mr. Culp hands me the answer to one of these items, as follows: "By reason of the way-bills not showing the kinds of lumber——

Commissioner Clements: What question is that?

Mr. Baxter: 11, 12 and 13. (Continuing). "By reason of the way-bills not showing the kinds of lumber, it would be impossible to compile the information called for by the above questions. In most instances the rate is the same on all lumber and the kind of lumber is not always specified. The information as called for could be prepared and furnished for the period desired as to all lumber. I estimate, however, to compile such a statement would take twenty men seven and a half months (no larger force could be worked to advantage) and would cost approximately $7,000.00."

Commissioner Clements: In some previous cases information of this sort has been called for and we have given notice to the railroads to produce their books, but it has been thought more convenient by the railroads, as I have always understood it, to prepare the information; that because it was very inconvenient for the carriers to bring their books away from their offices in order that they might be looked over and these compilations made from them, it was considered a saving of time and a great convenience to the carriers as well as everybody else concerned to get the information in this prepared way.

Mr. Baxter: Be assured, may it please the court, we stand perfectly ready to furnish every item of information asked for; we are not trying to hold back anything whatever; but the question we want the Commission to pass upon is as to who shall pay the expense of preparing the information—not that anybody shall be deprived of any evidence that our books will disclose, but upon which party will this expense be put, and I rely upon your decision to say that the complainants shall be required to pay it.

The Chairman: It occurs to me that it might be well for counsel representing the different parties to have a consultation at recess and go through this list of items and see which ones Mr. Baxter is ready to furnish. We will hear what you have to say, Mr. Wimbish.

Mr. Wimbish: I desire to disclaim on the part of complainants any purpose or wish to put these defendants to any extraordinary expense or to call for any information or evidence that we do not deem material in this case and which we do not think they could furnish without extraordinary expense. Now, I presume the Commission will take the testimony in this case and probably have the record printed and the arguments made later. If that be true, then the railway companies may produce all of the information which they say they can do readily without extraordinary expense. In the meantime counsel can confer and possibly as to these other matters reach some agreement that will enable us to get the information desired without any considerable expenditure of time and money. As to the

12 statement read on behalf of the Southern Railway Company as to the item which would be so expensive to furnish in response to the demand for information regarding tonnage and revenue of yellow-pine lumber, they say that they would have to get their waybills in order to ascertain how much yellow pine was shipped and how much of all other kinds of lumber was shipped. In other words, that the rate being the same, they did not carry it in separate accounts. Now, it is very possible that the information they can give us of the tonnage and of the gross and net revenue on lumber may suffice for all purposes, and I think the suggestion of the Commissioner was a good one, that we should confer and see if we could reach an agreement on these items which they say cannot be readily furnished.

The Chairman: Mr. Baxter, why should not counsel get together and take this list of questions—there is the same list of questions in both cases substantially, as I understand it—and go through them together and see what can be had from your reports and what you agree to furnish, and what you will furnish in some modified form, and let the Commission determine as to items in regard to which you do not agree.

Mr. Baxter: That is satisfactory.

13 The Chairman: Then counsel will confer about these questions in the lists in that way. Mr. Wimbish, you may state in your own way the nature of the complaint, and the general grounds upon which it is based.

Mr. Wimbish: If the Commission please, I will begin with a brief history of the case, prior to the filing of the complaint before this body. In February last the lumber-carrying railroads announced an increase in the rate of freight on lumber from points in Georgia, Alabama, Florida and South Carolina to the Ohio River crossings and to points beyond. Subsequently this rate was announced to

go into effect, first, on March 1st, and then it was deferred until April 15th, at which time it was announced it would go into effect. Just prior to that time the complainants in this case on behalf of these and other members of the Georgia Saw Mill Association applied to the United States circuit court for the southern district of Georgia for an injunction to restrain the putting into effect of these rates. In that bill—and the grounds therein stated are substantially the grounds of complaint to the Commission—in that bill it was alleged that the rates were unreasonable, unjust and arbitrary. It was shown that the members of the Georgia Saw Mill Association had invested in their business something like $10,000,000; that their actual output annually represented a value of about $7,000,000, and that of this output lumber to the amount of probably $3,000,000 in value was shipped to western points; that is, to the Ohio River crossings—Cincinnati, Evansville, Louisville, Cairo and points that base thereon, which, as the Commission knows, extend from Pittsburg and Buffalo on the east to the Mississippi river on the west. It was explained that a large part of this investment was made by these lumber manufacturers upon the strength of the situation which was brought about by the aid of the railways; that in 1890, 1891, and 1892,—perhaps in the early nineties—that no lumber had moved from this territory to the western territory because the rates were high. There had been no demand created in that territory for Georgia pine, and so the railroad companies reduced the rates that had been in effect for a number of years to these points and cooperated with the Georgia saw-mill men in acquiring a territory in these states; that as a result of that they did obtain a market for low-grade lumber in the West, and as that was obtained the members of this saw-mill association in this district put in machinery for the purpose of making this low-grade lumber and preparing it for market, and some machinery that was not needed at all to dressed lumber or the higher grades of lumber, and they made other expenditures, in the way of investments in timber lands, and in consequence the price of lands was increased, the lands which they were occupying in this territory. They were using in this territory largely a class of lumber that could not be used for the coastwise trade; in other words, certain kinds of lumber, large pieces and of a low grade. In 1899 the railroad companies increased the rate on lumber to these points, to which increase the lumber men submitted. Shortly after, another increase in the rate was made, and to this increase the saw-mill men submitted also, but when the last increase was made or proposed it was apparent to the minds of the lumber manufacturers,—and the facts have subsequently sustained them—that the business could not possibly proceed profitably under that rate; that the result would be to entirely drive them out of that western territory, or to so curtail their business there as to render it unprofitable. We claimed that the railroads, having encouraged the situation, should not be allowed to deprive us of our market and

to confiscate the large investments made as a result of that situation which they had encouraged. We claimed that because
16 of that fact the commodity could not move with any profit; that the rate would result in destroying the market to a large extent, if not wholly, and for that reason the rate was unreasonable and unfair.

We contended further that with the value of the tonnage—the cost of handling considered and also the risk of damage in transit considered—this grade of lumber shipped to the West yielded the railway companies a considerable profit; that it was a profitable source of revenue, if not the most profitable of any originating in this territory, and for that reason increasing the rates was unfair and unjust, inasmuch as it appeared or was alleged that the railway companies were handling lumber profitably under the old rate and there was no reason why this rate should be increased.

We further stated that we were discriminated against in this territory; that the rates on lumber of this character from Alabama and Mississippi to these common points was one cent per hundred pounds less than from the Georgia points, and that while some of the distances to the basing points perhaps were less from Mississippi and Alabama than from Georgia, the entire distance of the
17 carriage to those points which constituted the best markets, such as Chicago, Detroit, Dayton and other points of that kind, considered, the rate was discriminatory against us; that the rates on Pacific Coast timber, on white pine and northern woods into this territory were less than on our lumber, as a result of which we were handicapped in competition, and that if this advance—which by the way varies from 2 cents to as high as 10 cents in some instances, owing to groupings—that if this advance went into effect we could not compete in that territory with these other woods.

We further alleged—I am stating in substance the complaint before the Commission, too, because these are practically the same complaints—we further alleged that there was discrimination against us and against our business in this, that we were furnished with naked flat cars which we were required to equip and to equip them according to specifications laid down in the Master Car Builders' rules; that this equipment called for a high grade of lumber and was an expensive thing to us, costing us, I think we alleged, from $2.50 to $3.60 a car; that no other commodity was required to bear such a burden as that.

We further complained that we were discriminated against because we were not furnished facilities for shipping; that it was
18 with the greatest difficulty that we got cars of any character; that while they would anticipate the wants of other shippers, such as the shippers of fruit and cotton and naval stores and various other products shipped from these points, and would for weeks assemble their cars and hold them for that traffic, that we who gave them traffic all the year round had difficulty in getting cars to move

our traffic in. We alleged that was unfair, unreasonable and unjust; these things making the rate on lumber even higher than the price in the published tariffs.

Other grounds were mentioned in the bill which I shall not take time to enumerate. That bill was presented to Judge Speer and a restraining order issued. The case came on for hearing in Macon in May and a vast volume of evidence was introduced. The court sustained its jurisdiction fully and completely, but suggested that the Interstate Commerce Commission was much better prepared to determine such questions as this than the court could possibly be, and that if the complainants saw fit to make application to the Commission the court would suspend any further action until that step was taken. Following that the rates were put into effect, and shortly thereafter complaint was filed before this body. That complaint is now on hearing.

I only intended to give a brief statement of the facts in the case without going into the evidence we are expecting to introduce. We can save time by simply introducing the evidence.

The Chairman: Mr. Baxter, do you care to make any statement at this time in behalf of the defendants?

Mr. Baxter: No, sir; the answers of the defendants are set out in a number of printed pages, and I do not wish to take up time in making a rehash of our answers, unless the Commission desires it.

The Chairman: Some of the commissioners have not read the answers. Perhaps it would aid us if you would briefly state the general grounds upon which you rest your defense.

Mr. Baxter: Briefly it is that the rates in effect to-day, and which are complained of by the petitioners in this case, while they are higher than some rates that have been in force in recent years, are not in fact an increase in rate, but merely a restoration, and in fact less than a restoration of the lumber rates which previously and normally prevailed.

Taking the territory known as Group No. 1 in Georgia, which may be described generally as the division of the Southern railway extending between Macon and Brunswick—taking the rate from that group to Cairo as an illustration of what I have just said—prior to November 28, 1891, the rate in box cars was 20 cents.

The Chairman: To the Ohio river.?

Mr. Baxter: To Cairo. Taking that simply as an illustration, on November 28, 1891, that was reduced to 17 cents; on July 15, 1893 it was reduced to 16 cents, and effective May 17, 1894, it was reduced to 13 cents. Now the present rate complained of is 16 cents, which was the rate made effective July 15, 1893. It is one cent less than the rate effective November 28, 1891, and three cents less than the rate previously in effect—I mean previous to November 28, 1891.

We say these reductions were made by the railroad companies for

two purposes; first, in view of the depressed condition of the lumber market in the territory on and north of the Ohio river; that as the prices of lumber became depressed from time to time these roads lowered their rates to enable the complainants in this case to
21 keep in that market; and, secondly, that the lines from Arkansas carrying the same species of pine, yellow pine, had in a much less rate from their territory to Cairo; and we kept reducing our rates on this side of the Mississippi river trying to find the point at which this Georgia lumber could successfully compete with the Arkansas lumber, and found at last that it could not do so unless we could give the same rate from Georgia to Cairo as obtained from Arkansas to Cairo, and therefore, effective May 17, 1894, we re-reduced the rate on flat cars as well as box cars to 13 cents, which was the rate which had prevailed for many years from Arkansas points to Cairo. Now, we say why we have made this recent increase is two-fold: First, the lumber market has improved over what it was in 1894 when that reduction of 3 cents was made. Larger quantities of lumber can be and are being sold and at better prices than obtained in 1894; and, secondly, the Arkansas roads have determined to increase their rates to Cairo 2 cents per hundred pounds, and therefore the stress of competition which forced us to reduce our rate to 13 cents having been taken off, we have the right to go and get the benefit of that 2 cents also.

22 Commissioner Prouty: What is about the distance from Group 1 points in Georgia to Cairo?

Mr. Baxter: I don't know. Now, they were bound to take notice of the fact that as the lumber market improved we had a right to raise our rates, to restore them.

Now, as to the equipment of these cars, there is a dispute between us as to what it costs to equip the cars with standards and braces, supports, and so on, and there is a dispute as to the weight of that equipment and what the freight on that weight amounts to, but that is a matter of figures. The justification for that is that the regulations requiring those precautions are made by the Master Car Builders' Association of the United States; that they apply not only to lumber, but to all other long materials; in fact they apply to a large number of articles offered to railroad companies for transportation which require special care in protecting them so they can be carried securely and safely.

The Chairman: Are they applied and enforced as to the movement of lumber from Arkansas?

Mr. Baxter: I don't know, sir. They are required by the Master Car Builders' Association of the United States and we pub-
23 lish them, each company here publishes those rules of the Master Car Builders' Association and enforces them as to lumber and every other article specified, and we say that the freight rates are always assessed on the gross weight of the package and there has been no discrimination against lumber.

Mr. Wimbish: May it please the Commission, counsel desire to present a joint request that the Commission will allow us until one o'clock in order that we may confer together with respect to the notice to produce, if that suits the Commission, or a shorter time if the Commission desires it.

The Chairman: Can you not examine some witness, or do you desire to dispose of that question before you call any witness?

Mr. Wimbish: We thought it would be desirable to dispose of that first. We suggest a recess to 12 o'clock instead of one o'clock.

The Chairman: We had in mind that you could have that consultation during the recess for luncheon, or this evening. There are a large number of persons here who are away from their homes and places of business, which makes it our duty to hold rather protracted sessions.

24 Mr. Wimbish: Shall I introduce testimony now?

The Chairman: If it is essential to have this consultation before you examine your witnesses with satisfaction, why we shall grant the request, but we would be glad if you could occupy the usual hours of the opening session with the examination of some witness and take up this matter for consultation during the recess or this evening.

Mr. Wimbish: We cannot say that it is essential to have the consultation before proceeding with the examination of witnesses, your honor. We only thought it would be desirable. May we proceed with the oral testimony?

The Chairman: Yes, sir.

Mr. Miller: Before they begin the trial of this case, I want to suggest an agreement be made with counsel on the other side in our case. It is this: We have had Messrs. Smythe of the Kansas City Southern, and Mr. Farrell, traffic manager of the St. Louis Southwestern, and Mr. Lincoln of the Missouri Pacific and Iron Mountain roads summoned here as witnesses to prove the existence of the Tapline division over there, which proof we consider essential in this case. Their testimony was taken in the case of the Central

25 Yellow Pine Association against the Arkansas roads in St. Louis in June, and is accessible to counsel on the other side. These gentlemen want to get away, especially Mr. Smythe on account of illness in his family, and Mr. Lincoln also, and I want to propose that we use the testimony in that case in our case here. They were all represented by counsel at St. Louis when their testimony was taken, and all the facts were very fully drawn out on both sides.

The Chairman: What you propose is that the testimony of those witnesses taken in that proceeding should be stipulated into this case?

Mr. Miller: Yes, sir; subject to legal objections, of course.

Mr. Baxter: That was testimony taken before the Commission?

Commissioner Prouty: Yes, sir; before Judge Fifer and myself,

and the questions were all very fully gone into and the facts very fully developed on both sides.

Mr. Baxter: I have no objections to that suggestion.

Commissioner Prouty: I do not think there was any question, Judge Baxter, but what the facts were fully developed, and we deferred the final decision in that case and the argument of that case until we could hear the testimony in that case.

26 The Chairman: It is agreed that the testimony of the three witnesses named by Mr. Miller taken in the so-called Tapline case shall be regarded as their testimony in this case and have the same force and effect as if they had been called and examined in this proceeding.

Mr. Baxter: What are the names of those witnesses?

Mr. Miller: Mr. Lincoln, Mr. Farrell, and Mr. Smythe.

Mr. Baxter: It is stipulated into the Central Yellow Pine Association case. Mr. Wimbish perhaps does not want it in this case.

Mr. Wimbish: If it is material I may want to stipulate it into this case, but I do not know what their testimony is now.

The Chairman: You have not subpœnaed those witnesses and they are not summoned on your behalf. Mr. Miller is making the stipulation in his case with reference to their testimony.

Mr. Wimbish: It was suggested that any testimony in either case applicable to the other might be used and considered, I understood.

The Chairman: That was the suggestion we made this morning, but we understood you to object to it.

Mr. Baxter: We would be getting three records into one.

27 I ask that counsel who wish to have that St. Louis testimony put into the case of the Central Yellow Pine Association against the Illinois Central and others have it furnished to the stenographer so that we can be furnished with it. I want to know what these witnesses testified to.

Mr. Miller: We will have that done. We will furnish you a copy.

Mr. Baxter: Very well.

The Chairman: The testimony of those three witnesses in that case of the Central Yellow Pine Association against the lines west of the Mississippi river, the Arkansas roads, it is agreed shall be in evidence in the case of the Central Yellow Pine Association against the Illinois Central Railroad Company and others with the same force and effect as if taken in this case.

Mr. Baxter: Subject to all legal objections as to competency and relevancy.

The Chairman: Yes, sir. That does not extend to the case we are now hearing. It would appear, then, that Mr. Lincoln, Mr. Smythe, and Mr. Farrell may go when they are ready; their attendance will not be required in either of these cases. Mr. Wimbish, you may call your witness.

28 M. W. GARBUTT,

a witness called on behalf of complainants, having been duly sworn, testified as follows:

Mr. Wimbish: Mr. Garbutt, what is your business or occupation?
Mr. Garbutt: I am in the lumber business; manufacturer of yellow pine.
Mr. Wimbish: Are you a member of a firm or a corporation?
Mr. Garbutt: Yes, sir; of a firm; the firm of the Garbutt Lumber Company.
Mr. Wimbish: Where is it located?
Mr. Garbutt: Wright, Wilcox county.
Mr. Wimbish: Georgia?
Mr. Garbutt: Yes, sir.
Mr. Wimbish: How long has that company been engaged in the lumber business?
Mr. Garbutt: As a corporation, or in the lumber business?
Mr. Wimbish: In the lumber business?
Mr. Garbutt: Why, about thirty years.
Mr. Wimbish: How long have you been personally engaged in the business?

29 Mr. Garbutt: I have been a member of the firm about six years; between five and six years.

Mr. Wimbish: Were you connected with it prior to that time?
Mr. Garbutt: Yes, sir; I was employed by the firm for about four years before I took an interest.
Mr. Wimbish: Have you any official position with the company?
Mr. Garbutt: Yes, sir; secretary and treasurer.
Mr. Wimbish: What is the particular business your corporation is engaged in?
Mr. Garbutt: Manufacturing of yellow pine and its by-products.
Mr. Wimbish: What is the extent of your investment?
Mr. Garbutt: Why, the company is incorporated for $300,000.
Mr. Wimbish: Does that represent the total investment?
Mr. Garbutt: Yes, sir; in the lumber business. We have an investment in machinery and timber of about $270,000.
Mr. Wimbish: You mean included in the $300,000?
Mr. Garbutt: Yes, sir.

30 Mr. Wimbish: What is your annual output, Mr. Garbutt?
Mr. Garbutt: In feet?
Mr. Wimbish: Feet and in value?
Mr. Garbutt: I don't know, except according to the figures we are cutting now about 50,000 feet a day. We lost one of our mills in July. Up to that time we cut about 100,000 feet a day.

Mr. Wimbish: Do you ship to the western territory?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: To the points involved in this case?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: What is the extent of your shipments—about what percentage?

Mr. Garbutt: I don't know hardly. Up to the time these increases went into effect—up to the time when the increase in rate went into effect we shipped—as I remember the figures—the value of our annual output was about $200,000, and about $20,000 worth went West.

Mr. Wimbish: What was the character of the lumber shipped to the West?

Mr. Garbutt: It consisted of car sills, car framing, decking and laths.

31 Mr. Wimbish: Was it high-grade or low-grade lumber?

Mr. Garbutt: Low-grade.

Mr. Wimbish: Can you recall the value of shipments made to Ohio River points and beyond in the year 1902?

Mr. Garbutt: I think it was about $22,000. I could not swear to it, though.

Mr. Wimbish: I hold in my hand an affidavit that Mr. Garbutt made in the hearing before the court and it contains those figures. I presume he can refer to that?

The Chairman: There is no objection to that.

Mr. Wimbish: What was the value of those shipments?

Mr. Garbutt: To the Ohio River points and beyond they were $22,008.70.

Mr. Wimbish: What was the freight paid on that?

Mr. Garbutt: The freight paid the railroads was $25,885.58.

The Chairman: That was for the calendar year 1902?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: Have you figures at hand for the month of March, 1903?

Mr. Garbutt: Yes, sir.

32 Mr. Wimbish: Well, please state what that is; what it contains, what it shows.

Mr. Garbutt: It is a detailed statement of shipments made to the West, showing the freight to net value at the mill. The freight was $1,218.67. The net value at the mill was $1,026.15.

Mr. Wimbish: State how many cars of that there were, Mr. Garbutt.

Mr. Garbutt: Fourteen.

Mr. Wimbish: Does that represent all of your shipments during that month to the West?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: Mr. Garbutt, have you a comparative statement

showing the shipments made to this western territory in July, August and September, of 1902, when the old rate was in effect, and during the same months in 1903, under the advanced rate?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: State the conclusions and results.

Mr. Garbutt: In July, 1902, we shipped a total number of cars from the mill 32 cars less than we did the same month in 1903.

Mr. Wimbish: Give the total shipments also, Mr. Garbutt, please.

Mr. Garbutt: The total shipments in July, 1902, were 153 cars; the total shipments for 1903, July, were 185 cars.

Commissioner Clements: That covers what period in 1903?

Mr. Garbutt: The month of July.

Commissioner Clements: For both years?

Mr. Garbutt: Yes, sir; for both years. Of that total in 1902, 35 cars went to the West. In 1903, 13 cars went to the West. In 1902, in August, the total cars shipped was 144. In 1903, August, the total number of cars shipped was 143. Of that number in 1902, August, 25 cars moved to the West, and in the same month of 1903, two cars moved to the West.

Commissioner Clements: What do you mean by the West?

Mr. Garbutt: To Ohio River points. In September the total number of cars shipped to all points was 152; that was in 1902. In September, 1903, the total number of cars shipped to all points was 102—50 cars less. Of the cars shipped in September, 1902, 13 cars went to Ohio River points, and in the same month of 1903, one cars moved to Ohio River points.

Mr. Wimbish: Mr. Garbutt, what is the demand from the territory which you designate in this hearing as the West, to Ohio River crossings and beyond? What is the demand for lumber there now as compared with previous years?

Mr. Garbutt: No demand at all that is of any value to the mill men. We got an inquiry about a month ago for sills that would have netted us about $11.00 at the mill and the party wanted them at $8.75 dressed at the mill, dressed four sides. Counting $1.50 for dressing, it would have made the lumber net us less than the actual cost of manufacture.

Commissioner Prouty: How does the cost of manufacture of lumber in that territory compare now, to say nothing about your freight?

Mr. Garbutt: We sell everything price at the mill and let the other fellow do the figuring on the freight.

Commissioner Prouty: All you know is that you cannot sell lumber in that territory for some reason?

Mr. Garbutt: Yes, sir.

Commissioner Fifer: How does the price of lumber compare now with the price in former years, if you know?

Mr. Garbutt: Do you mean to western territory or as a
35 whole?

Commissioner Fifer: I was referring to western territory?

Mr. Garbutt: I don't know what the price is. We have not been able to get any business at any price. I don't know what they would really want to pay for it.

Commissioner Fifer: I mean prices at the mill. How does the price at the mill compare with the price in former years?

Mr. Garbutt: That offer I just stated was $8.75—$8.75 for 36-foot sills, dressed four sides, and we figure $1.00 to $1.50 for dressing, and that would make it net us about $7.25.

Commissioner Fifer: What was the price formerly of that material?

Mr. Garbutt: We could sell it before the advance for $10.00 to $11.00, the same sills.

36 Com'r Clements: What kind of lumber do you ship there—all good lumber?

Mr. Garbutt: No, sir; sound and square; just so we got off the bark and kept the rots and knot-holes out, it was all right.

Com'r Clements: You did not ship any planks?

Mr. Garbutt: No, sir; we unloaded all plank nearer home. The only things were car-sills, decking and laths.

Com'r Clements: Where do you sell the bulk of your cut now?

Mr. Garbutt: To interior Georgia towns, Tennessee and the coast—Atlanta and Brunswick.

Com'r Clements: It goes to eastern States via the water?

Mr. Garbutt: Yes, sir.

Com'r Clements: Do you send any through by rail?

Mr. Garbutt: Yes, sir; a few cars we send through by rail.

Mr. Wimbish: What has been the effect on the coastwise market of the increase of rate to the West on lumber?

Mr. Garbutt: Well, it has had a tendency to decrease the price at the coast.

37 Mr. Wimbish: Why?

Mr. Garbutt: Everybody is unloading the stuff at the coast, while some were shipping West.

Mr. Wimbish: I understand it diverted the lumber that had been going West to the coast?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: What effect did that have on the market?

Mr. Garbutt: It tended to reduce the price and create a larger output than the demand would want.

Mr. Wimbish: How does the price of yellow-pine lumber as a whole compare with a year ago and two years ago and three years ago?

Mr. Garbutt: Well, I do not know—you mean——

Mr. Wimbish: On an average of the whole.

Mr. Garbutt: I have not reduced so much—I do not think over 50 cents a thousand, taking it as a whole.

Mr. Wimbish: How much has it been reduced the last 6 months or 3 months?

Mr. Garbutt: It has made the whole fall off the last 3 months.

Mr. Wimbish: Since the rate went into effect?

38 Mr. Garbutt: Yes, sir.

Mr. Wimbish: How does the increase in the cost of the manufacture of yellow pine compare with the increase of price since, say 1899 or 1898?

Mr. Garbutt: Well, the cost of manufacture has increased much more rapidly than the price of lumber.

Mr. Wimbish: On what items?

Mr. Garbutt: Every item that enters into the manufacture of lumber has increased, from labor down.

Mr. Wimbish: Has there been any increase in the price of timber lands?

Mr. Garbutt: Yes, sir. We bought our timber six or seven years ago, most of it, at an average of about $2.25 an acre, but the timber which we have had to buy this last year, we paid as high as eight dollars and ten dollars for, and we sold the timber at ten dollars.

Mr. Wimbish (handing paper to witness): Look at that and refresh your memory as to the cost of items.

Mr. Garbutt (referring to paper): These figures are taken from the books. Of course, I could not remember them without having them down. The cost of manufacturing yellow pine has in-

39 creased. The cost of grain used as feed for stock increased 41 per cent. since December, 1900; the cost of timber has increased 200 per cent. and the cost of lumber has increased 12 per cent. All those are verified by invoices of feed, timber and lumber.

Mr. Wimbish: Will you look at this statement (handing statement to witness) and compare the cost of the manufacture of lumber to you in [illegible]ous years?

Mr. Garbutt: The value of lumber shipped by us in 1902 was in excess of that shipped in 1901, $7,775.88. The expense account for 1902 was in excess of that of 1901 $7,158.93; net earnings for 1902 in excess of those of 1901, $616.95. For the year 1902 between seven and eight thousand dollars additional capital was required to do the business. Reduced to percentage basis this capital earned only a little in excess of 1 per cent.

Mr. Wimbish: Is your company a member of the Georgia Saw Mill Association?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: What is the value of lumber to the carrier as a revenue-producing commodity? Is it profitable?

Mr. Garbutt: Yes, sir; they seem to do the business. I reckon it is.

40 Mr. Wimbish: What is the volume of the business, not in figures, but generally?

Mr. Garbutt: Of all the roads, you mean?

Mr. Wimbish: Yes, sir.

Mr. Garbutt: I do not know.

Mr. Wimbish: Is it great?

Mr. Garbutt: Yes, sir; it is great—more than they can furnish equipment for.

Mr. Wimbish: Are cars usually loaded to capacity?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: What is the danger of damage or injury in transit? How does that compare with other freights?

Mr. Garbutt: Why, I do not know as it is as much dangerous as some of the other freights; that is, if the railroads have a wreck, the lumber is very inexpensive as compared with some other products they handle, and they do not have to pay out very much money if the lumber is destroyed.

Mr. Wimbish: How many claims has your company made for damage to lumber?

Mr. Garbutt: I do not remember any at all.

Mr. Wimbish: The witness is with you.

41 Cross-examination:

Mr. Baxter: Is your company a corporation?

Mr. Garbutt: Yes, sir.

Mr. Baxter: Do you keep books showing your gross earnings, operating expenses, taxes and net earnings?

Mr. Garbutt: Yes, sir.

Mr. Baxter: Can you without any extraordinary expense or delay offer as an exhibit to your testimony a statement showing the gross earnings, operating expenses, taxes and net earnings of your company for each year from 1891 to 1903, both inclusive, or so many of those years as your company has been in existence?

Mr. Garbutt: Well, it would require a good deal of work to get that information.

Mr. Baxter: What would you estimate it would cost to get it up?

Mr. Garbutt: About fifty dollars, I reckon.

Mr. Baxter: Will your books show the tonnage of lumber, the grades of that lumber and the prices f. o. b. at your mills of said grades for each year from 1891 to 1903, both inclusive,

42 shipped to points on and north of the Ohio river?

Mr. Garbutt: No, sir; it will not show the grades only as far as the price would determine the grade.

Mr. Baxter: Could not you determine the grade from the price?

Mr. Garbutt: Yes, sir; I could I think, or any other man that knew the lumber business could.

Mr. Baxter: What would a compilation of that sort cost you?

Mr. Garbutt: Well, I can get that information at the same time I
m getting the other; that is, I could give the value of the lumber
nd the value of the lumber would show the grade of the lumber.

Mr. Baxter: Now, if we will tender you the fifty dollars, will you
ake up the compilations for us and file them as exhibits here?

Mr. Garbutt: Well, I would have to have time—yes, sir.

Mr. Baxter: How long will it take?

Mr. Garbutt: It might take 30 days. We can do it in 30 days all
ight.

Mr. Baxter: I understand that you will furnish the in-
3 formation if we will pay for it?

Mr. Garbutt: Yes, sir; there is nothing we do not want to
rnish, I think.

(The statements are hereto annexed and marked "Exhibits Nos.
& 2 to Mr. Garbutt's testimony.")

Mr. Baxter: That is all.

Mr. Northrop: When did your mill burn down?

Mr. Garbutt: In July.

Mr. Northrop: What year?

Mr. Garbutt: This year, 1903.

Mr. Northrop: What time in July?

Mr. Garbutt: I do not remember the exact date—about the
middle I think. I am not sure.

Com'r Prouty: Are you making arrangements to rebuild that
mill?

Mr. Garbutt: Yes, sir; we are about ready to start her up.

Com'r Clements: Your statement shows a falling off of shipments
to the Ohio river and beyond for the last three months. Do you
know of any other cause for that except the rates? Do you
4 attribute it wholly to the rates? There might be a change
in that kind of business due to something else. Do you know
of anything else?

Mr. Garbutt: No, sir; I do not. I could not say positively that
the rate had all to do with it.

Com'r Clements: Do you know of any other cause in your busi-
ness relations with people there?

Mr. Garbutt: No, sir.

Com'r Clements: Have you any knowledge as to where they get
their supply now that they formerly got from this section?

Mr. Garbutt: No, sir; I do not know where they get it. I do not
know whether they get any now.

Com'r Fifer: Do you know from general information how much
the retail price of lumber has increased at these western points as
compared with the previous retail prices?

Mr. Garbutt: In what period?

Com'r Fifer: Well, the increase, say, from 1895 or 1896 down to the present time?

Mr. Garbutt: Well, in 1895 we did not sell anything West at all.

45 Com'r Fifer: Well, you did in previous years?

Mr. Garbutt: No, sir. Our business to the West has just been the last three or four years. We used to operate on the Central railroad, but the great trouble we had in getting equipment to go West kept us out of the market and we did not care to fool with it. All our lumber went to the coast, except laths and shingles and we sold all the laths and shingles we made in Atlanta.

Mr. Brown: You spoke of a difference in one month there of 25 cars. What months were you comparing?

Mr. Garbutt: That statement there will show (indicating)—July, I think.

Mr. Brown: You stated that in one month of one year, as I understood you, there was a difference of 25 cars and only 3 cars the corresponding month of another year.

Mr. Garbutt: That was in August. All the information is right there.

Mr. Brown: Now, you stated that in July, 1902, you shipped 35 cars, what you call West—Ohio River points and beyond?

Mr. Garbutt: Yes, sir.

46 Mr. Brown: And July, 1903, you only shipped 13 cars.

Mr. Garbutt: Thirteen; yes, sir.

Mr. Brown: Have you got tabulated here the points where these 35 cars went?

Mr. Garbutt: I think so.

Mr. Brown: That statement shows exactly where they went?

Mr. Garbutt: Yes, sir.

Mr. Brown: And also as to the 13 cars?

Mr. Garbutt: Yes, sir.

Mr. Brown: Was the lumber contained in the 35 cars and in the 13 cars the same character of lumber?

Mr. Garbutt: I could not say as to that from memory. I would have to get that information at the time I get the other.

Mr. Brown: You may furnish that with the other. You are not able to state now?

Mr. Garbutt: No, sir.

(The same is hereto annexed and marked "Exhibit No. 3 to Mr. Garbutt's testimony.")

Mr. Brown: Are you able to state what your prices were for the 35 cars, the average price per car?

47 Mr. Garbutt: No, sir.

Mr. Brown: As compared with the average price?

Mr. Garbutt: Yes, sir; that information is on that sheet—the net

value at the mill and the freight to the railroad, in pencil out to the right.

Mr. Brown: Take the 35 cars, were they shipped by your company directly, or were they sold to brokers and shipped?

Mr. Garbutt: Nearly all that business is done through brokers.

Mr. Brown: Then your company did not ship these 35 cars directly?

Mr. Garbutt: Well, I could not say as to that. In some cases we ship them as coming from us and in other cases we ship them in the name of the broker that buys the lumber.

Mr. Brown: How would it be as to the 13 cars?

Mr. Garbutt: The same thing.

Mr. Brown: You are not prepared now to state whether or not your company actually shipped any of those cars?

Mr. Garbutt: No, sir; I would not swear that we shipped any of them in the sense you are speaking of.

48 Mr. Brown: That is what I mean. Of course I know you cut the lumber.

Mr. Garbutt: I do not know in whose name the bill of lading was in most cases.

Mr. Brown: Is it true then, that the bulk of your output for 1902, or say, previous to that, 1901, and also for 1903, was sold to brokers?

Mr. Garbutt: Yes, sir; nearly all the lumber business is done through the brokers.

Mr. Brown: You do not ship direct?

Mr. Garbutt: We do not ship to the consumers, directly, no, sir.

Mr. Brown: Is it not true that when this 2 cents increase was about to go into effect, or shortly before that, you received information from the Mt. Vernon Car Manufacturing Company that they themselves would pay that increase and for you to go ahead and fill orders? Is not that true?

Mr. Garbutt: We received information from the Mt. Vernon car works that they thought the advance of 2 cents was justifiable and that they thought the railroads ought to have it and they

49 thought they were hauling the lumber too cheap, but our rate to Mt. Vernon, Illinois, was 19 cents when the published rate was 22 cents.

Mr. Brown: How was that?

Mr. Garbutt: Our published rate was 22 cents and our actual rate was 19.

Mr. Brown: What did you actually pay?

Mr. Garbutt: We paid 19.

Mr. Brown: And they were willing even to stand 2 cents on the 19?

Mr. Garbutt: No, sir; on the 19.

Mr. Brown: Making it 21?

Mr. Garbutt: Yes, sir.

Mr. Brown: You had been shipping to them?
Mr. Garbutt: Yes, sir.
Mr. Brown: Have you got a tariff that calls for a 22-cent rate?
Mr. Garbutt: I have not got it here. I think I have it at home.
Mr. Brown: You think you have it at home.
Mr. Garbutt: Yes, sir; I know I have it at home.
Mr. Brown: You have not it with you?
Mr. Garbutt: No, sir.

50 Com'r Clements: You say you have a tariff published by the roads at 19 cents?

Mr. Garbutt: No, sir: 22 cents.
Com'r Fifer: There was no tariff for the 19 cents?
Mr. Garbutt: No, sir.
Com'r Clements: Over what roads was the 19-cent rate?
Mr. Garbutt: The Seaboard Air Line.
Com'r Clements: It does not reach Mt. Vernon. What other roads?
Mr. Garbutt: One through Montgomery where it is turned over to the M. & O.
Com'r Clements: The Mobile & Ohio?
Mr. Garbutt: Yes, sir.
Com'r Clements: Where did they let it go?
Mr. Garbutt: I do not know. I think it went to Mt. Vernon.
Com'r Clements: Who arranged for that rate?
Mr. Garbutt: We did not have any cut rate. It was open to all mills on the Seaboard Air Line. It was not any favor that the Seaboard showed us at all.
Com'r Clements: How did it come about on the Seaboard Air Line?

51 Mr. Garbutt: I do not know why it was made. I think it was made in behalf of the car works at Mt. Vernon.

Com'r Clements: Who paid the freight? The consignee or consignor?
Mr. Garbutt: We had to stand the freight.
Com'r Clements: Who paid the freight?
Mr. Garbutt: We did, that is, in a way. I think the stuff was bought so much at the mill.
Com'r Clements: Was the freight paid when you shipped it or at Mt. Vernon?
Mr. Garbutt: At Mt. Vernon.
Com'r Clements: Then, you did not pay the freight, did not hand it over?
Mr. Garbutt: Did not hand it over; no, sir.
Com'r Clements: That was done at Mt. Vernon?
Mr. Garbutt: Yes, sir.
Com'r Clements: Do you sell the lumber to be delivered at Mt. Vernon at a certain price, or at your mill at a certain price?

Mr. Garbutt: In most cases we sold it at the mill at a certain price. I think there were one or two orders we delivered at
32 a certain price. I am not really sure about that. I know that in most cases it was sold at a certain price at the mill.

Com'r Clements: Was it billed at a 19-cent rate, or a 21-cent rate?

Mr. Garbutt: A 19-cent rate.

Com'r Clements: Who else got that rate besides the Mt. Vernon car works?

Mr. Garbutt: We did not ship any lumber to anybody there except the Mt. Vernon car works.

Com'r Clements: Did you get that rate to any other point in that vicinity, or any other rate than the published tariff rate?

Mr. Garbutt: No, sir; I do not remember.

Com'r Clements: When did that practice begin, the 19-cent rate
38 to Mt. Vernon?

Mr. Garbutt: I do not remember.

Com'r Clements: Well, about when?

Mr. Garbutt: I do not think we ever shipped any lumber to Mt. Vernon on any rate but the 19-cent rate.

Com'r Clements: How long have you been shipping?

Mr. Garbutt: We have been shipping about 4 years, I think.
53 Com'r Clements: When did it terminate?

Mr. Garbutt: When this advance went into effect.

Com'r Clements: Then, what rate did you pay?

Mr. Garbutt: A 2-cent advance over the 19-cent.

Com'r Clements: Twenty-one cents?

Mr. Garbutt: Yes, sir; I think that is right.

Com'r Clements: Well, what is the published rate—21 cents?

Mr. Garbutt: No, sir; it is 24 cents.

Com'r Clements: How long since you shipped anything there?

Mr. Garbutt: We have not shipped anything there since this rate went into effect.

Mr. Wimbish: I think, your honors, if the witness will read this letter (producing letter) it will throw some light on that subject.

Mr. Garbutt (taking letter): This is a letter to the Garbutt Lumber Company from Mr. L. E. Chalnor, ass't general freight agent of the Seaboard Air Line.

The Chairman: What is the date?

Mr. Garbutt: April 22, 1903. It reads:

74 "GENTLEMEN: Replying further to your letter of the 16th inst. having reference to lumber rates to Mt. Vernon, Ill., I beg to advise that in the event the courts decide that the southeastern lines will be allowed to advance lumber rates to the West, the rate to Mt. Vernon, Ill., will be 21c. per 100 lbs. instead of 24c. For the present, however, we will protect through rate of 19c. per 100 lbs. as advised in my letter of the 18th."

Com'r Fifer: Who is that from?

Mr. Garbutt: Mr. Chalnor, of the Seaboard. That same information was given other mills. We were not receiving any benefit from them that the other mills were not receiving at the same time.

Mr. Baxter: That letter is signed "L. H. Chalnor, A. G. F. A.," is it not?

Mr. Garbutt: "L. E. Chalnor."

Com'r Clements: Have you the bills of lading issued on these shipments to Mt. Vernon at the 19-cent rate?

Mr. Garbutt: No, sir; they were forwarded to the Mt. Vernon car works. We have duplicate invoices of the shipments,
55 that is all we have.

Mr. Wimbish: You say your mill was burned during the past summer?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: Was that one of your mills?

Mr. Garbutt: Yes, sir; one of the mills—the planing mill.

Mr. Wimbish: It materially affected shipments in July, August and September, did it not?

Mr. Garbutt: We did not feel the effect until August, because we had so much stuff piled up at the mills that it took about two months to get it off. The shipments as you will notice there, increased in August over last year's shipments. This year's shipments were an increase of 30 cars over last year—something like that.

Mr. Wimbish: You mean the total shipments?

Mr. Garbutt: Yes, sir; that lumber was already manufactured and in the shed.

Mr. Wimbish: You said you did not ship direct to consumers. You did ship direct to them in the West, but you did not sell direct to them?

56 Mr. Garbutt: Well, it is hard to say whether it went direct to the consumer or not.

Mr. Wimbish: You made the shipments from your mills to the point of destination?

Mr. Garbutt: Yes, sir.

Mr. Wimbish: They might have been made in somebody else's name?

Mr. Garbutt: They might have been made in somebody else's name.

Mr. Wimbish: I desire to file as exhibits to Mr. Garbutt's testimony these statements. (Producing statements.)

The Chairman: Do they relate to a different subject?

Mr. Wimbish: This one (indicating) shows the amount of freight paid on all shipments in the month of March, 1903, and the value of the lumber at the mill. He has testified to that.

The Chairman: You may put them in.

(The statements are hereto annexed and marked "Exhibit No. 4 to Mr. Garbutt's testimony.")

Mr. Northrop: Will you furnish with the statement of information already asked for by Judge Baxter, a statement showing the cost of stumpage at the time it was purchased?

57 Mr. Garbutt: I can tell you approximately what that cost would be.

Mr. Northrop: Well, what was it?

Mr. Garbutt: A dollar per thousand.

Mr. Northrop: What is it worth now?

Mr. Garbutt: I do not know hardly—do you mean as stumpage or in the manufactured products?

Mr. Northrop: Both.

Mr. Garbutt: Well, it is worth about nine dollars in the manufactured products and it is worth about three dollars on the stump; then you have got to add about $7.50 for the cost of manufacture.

Mr. Northrop: Have you not got a logging road connected with the carriers to haul your product?

Mr. Garbutt: A logging road?

Mr. Northrop: Yes, sir.

Mr. Garbutt: Yes, we have a logging road of about 20 miles.

Mr. Northrop: Do you participate in any freight charges?

Mr. Garbutt: Not through the logging road.

Mr. Northrop: Have not you a road or tap line?

58 Mr. Garbutt: Yes, sir; we have a chartered line from the Ocmulgee river to Fitzgerald.

Mr. Northrop: What divisions do you get in marketing your stuff?

Mr. Garbutt: Well, that is a separate investment and has nothing to do with the manufacture or cost of the lumber.

Mr. Northrop: Do you object to giving your divisions?

Mr. Garbutt: I do not see what good it can do. We would not object to giving up any part of the advance we have received by reason of the present advance.

Mr. Northrop: Have you been participating in this 2-cent advance?

Mr. Garbutt: No, sir.

Mr. Northrop: Have you quoted any rates under it to anybody?

Mr. Garbutt: No, sir.

Mr. Northrop: How much of that $25,000 of freight came back to you as your division?

Mr. Garbutt: I could not tell you.

Mr. Northrop: Was there not a 3-cent advance of which you got a portion some time ago?

59 Mr. Garbutt: No, sir; we went into the business after that advance was made.

Mr. Northrop: Well, you took advantage of it afterwards, I presume, did you not?

Mr. Garbutt: Of the 3-cent advance?

Mr. Northrop: Yes, sir; you continued it, did you not?

Mr. Garbutt: I do not know. I do not know whether we got part of the 3-cent advance or not. The Fitzgerald and Ocmulgee road got its division for handling the business.

Com'r Fifer: Was there a published tariff?

Mr. Garbutt: Yes, sir.

Com'r Clements: Was the division any more after the rate was increased than before?

Mr. Garbutt: No, sir.

Com'r Fifer: Is the road which gets part of the through rate owned by the same men that own the mills?

Mr. Garbutt: Yes, sir; they own and control a majority of the stock. There are others interested in the road.

Com'r Fifer: How long is the road?

Mr. Garbutt: Fifteen miles.

Com'r Prouty: Between what points does that road run?

60 Mr. Garbutt: Between a point on the Ocmulgee river and Fitzgerald by the mill.

Com'r Prouty: Fitzgerald is situated on the Seaboard Air Line?

Mr. Garbutt: Yes, sir.

Com'r Prouty: And your mill is at Fitzgerald?

Mr. Garbutt: No, sir; about 8 miles from Fitzgerald by the road.

Com'r Prouty: What business does that railroad transact besides transporting your lumber?

Mr. Garbutt: Well, it hauls anything it can get to haul in the way of ties, produce or incoming freight.

Com'r Prouty: Does it actually do business for anybody but your lumber concern?

Mr. Garbutt: It could.

Com'r Prouty: It could do business for anybody, but does it?

Mr. Garbutt: Yes, sir.

Com'r Prouty: Do you haul lumber in both ways, from Fitzgerald to the Ocmulgee river—I mean from your mill to the Ocmulgee river and from your mill to the Seaboard Air Line?

Mr. Garbutt: We did haul lumber from Fitzgerald to the

61 Ocmulgee river and we hauled lumber from our mill to the Seaboard.

Com'r Prouty: You are so situated that you can take lumber from your mill to the Ocmulgee river or to the Seaboard Air Line?

Mr. Garbutt: Yes, sir.

Com'r Prouty: Do you haul logs from the woods to your mill?

Mr. Garbutt: Yes, sir.

Com'r Prouty: And haul lumber from your mill to the Seaboard Air Line?

Mr. Garbutt: Yes, sir.

Com'r Prouty: And they allow you a division?

Mr. Garbutt: They allow the road a division; yes, sir.

Com'r Prouty: Do they allow you anything for hauling the logs down to your mill?

Mr. Garbutt: Nothing at all.

Com'r Prouty: What determines the amount of that division they allow you? Is it divided in proportion to distance?

Mr. Garbutt: Yes, sir; I guess the distance has something to do with it—not so much either.

62 Com'r Prouty: That haul is 8 miles. Do you know how long the Seaboard Air Line part of it is?

Mr. Garbutt: To where?

Com'r Prouty: Suppose the lumber went west to an Ohio River crossing, like Cairo, how far would it be?

Mr. Garbutt: I do not know.

Com'r Prouty: Do they allow you the same division if the lumber goes to the coast—is your lumber hauled to the coast by the Seaboard Air Line?

Mr. Garbutt: Yes, sir.

Com'r Prouty: When your lumber goes to the coast, do they allow you the same division as when it goes to the Ohio River crossings?

Mr. Garbutt: No, sir.

Com'r Prouty: Is it a less or greater division?

Mr. Garbutt: I would have to figure it out to see.

Com'r Prouty: What kind of lumber do you manufacture at your mill, anything besides yellow pine?

Mr. Garbutt: No, sir.

Com'r Prouty: In what form do you market that yellow pine?

63 Mr. Garbutt: We make what we call dimension lumber—boards, laths and shingles.

Com'r Prouty: Do you ship your lumber dry or green?

Mr. Garbutt: Some of it is dry and some green.

Com'r Prouty: How much dry lumber do you ship on a car as a load?

Mr. Garbutt: Well, it is according to the kind. Rough boards, we put it eight to ten thousand feet.

Com'r Prouty: About what will they weigh?

Mr. Garbutt: They will weigh about four pounds to the foot.

Com'r Prouty: How much green lumber—ten thousand feet?

Mr. Garbutt: Yes, sir; they will average nine or ten thousand feet.

Com'r Prouty: How many pounds to the car-load do your shipments average—how many tons?

Mr. Garbutt: They will run, I should judge, about 45,000 pounds to the car.

Com'r Prouty: Where is most of that lumber sold?

Mr. Garbutt: Most of it is sold, so far as we go, in Savannah.

64 Com'r Prouty: That is to say, it is sent to market by water?

Mr. Garbutt: Yes, sir.

Com'r Prouty: What part of your entire output goes to Savannah, or to the coast for shipment by water?

Mr. Garbutt: About two-thirds.

Com'r Prouty: You also have a certain home market?

Mr. Garbutt: Yes, sir.

Com'r Prouty: What part of it do you sell in the home market?

Mr. Garbutt: Since the advance has gone into effect, all of it.

Com'r Prouty: Have you not been selling some to the coast?

Mr. Garbutt: I thought you meant the by-product. That that goes to the coast is going right on.

Com'r Prouty: Have you been selling laths and shingles north of the Ohio river?

Mr. Garbutt: Laths, but not shingles.

Com'r Prouty: You say that a different grade of lumber goes to the Ohio river from what goes to the coast. In what respect is the lumber different?

65 Mr. Garbutt: Well, the lumber that goes to the coast is what we call the merchantable grade, that is two-thirds heart; that is, take it 8 by 12 and it will have to show two-thirds heart on the edges. If that went to the West, it would be sound and square and it would not make any difference whether there was any heart in it or not.

Com'r Prouty: As you saw a log or tree, could you so saw it as to send part of it to the coast and part to the Ohio river?

Mr. Garbutt: Yes, sir; that is the way we do it.

Com'r Prouty: There is no market at the coast for the grade of lumber you have been sending north of the Ohio river?

Mr. Garbutt: No, sir.

Com'r Prouty: Where is your mill?

Mr. Garbutt: At Wright, 8 miles from Fitzgerald.

Com'r Prouty: Do you know how far it is from your mill to Cairo?

Mr. Garbutt: No, sir.

Com'r Prouty: Do you know whether it is farther than it is from the Arkansas mills to that point?

Mr. Garbutt: No, sir.

66 Com'r Prouty: If it is twice as far from your mills as from the Arkansas mills, why do you claim you ought to have the same rates as the Arkansas mills?

Mr. Garbutt: If it is twice as far as from the Arkansas mills?

Com'r Prouty: We will assume that it is twice as far from your mills to Cairo as from the Arkansas mills to Cairo. If that is so, would you claim the same rate?

Mr. Garbutt: I do not think we would be just in so claiming, if that is a fact.

Mr. Wimbish: There is no such claim in this case. We speak of discrimination as to Mississippi, but not Arkansas.

Com'r Prouty: Mr. Baxter stated that it had been found by practical experience that the same rate could be maintained from Arkansas as was maintained from your mills here, and he also stated that the Arkansas rate was advanced 2 cents and that therefore this rate on your by-product could be advanced 2 cents. Now, I ask him if he makes any claim assuming the distance to be considerably greater, that his rate should be as low as the Arkansas rate. Testimony we have taken in other cases shows that the Arkansas lumber does compete with lumber east of the Mississippi river in Cairo and markets near Cairo.

Com'r Clements: What other business does your road do except the lumber business from your mills—a miscellaneous business?

Mr. Garbutt: Yes, sir.

Com'r Clements: What portion of the whole business is the value of the miscellaneous business—is it considerable or not?

Mr. Garbutt: No, sir.

Com'r Clements: Is it mostly lumber?

Mr. Garbutt: Mostly lumber. The other business, I do not think would be enough to warrant the investment without our business.

Com'r Clements: It is principally lumber business?

Mr. Garbutt: Yes, sir.

Com'r Fifer: Do you publish tariffs for general traffic over your road?

Mr. Garbutt: Yes, sir.

Com'r Fifer: Is your road equipped for carrying traffic of all kinds?

Mr. Garbutt: Yes, sir: we have box cars and flat cars and engines.

Com'r Fifer: It is equipped for shipping vegetables or anything else?

Mr. Garbutt: Yes, sir; we could ship vegetables if they were offered.

Com'r Prouty: Does your lumber company pay your railroad company anything except what the railroad company receives in the way of divisions of the lumber rate?

Mr. Garbutt: Does our lumber company pay the railroad?

Com'r Prouty: Anything except what the railroad receives as its division on the lumber rate?

Mr. Garbutt: No, sir.

Com'r Prouty: Does the railroad pay on the investment on that basis?

Mr. Garbutt: Yes, sir, it pays very well.

The Chairman: How far is it from the point where your mills

are located to where the lumber is loaded on the Seaboard Air Line?

Mr. Garbutt: Where we deliver the lumber, about two miles.

The Chairman: It is not at Fitzgerald?

Mr. Garbutt: No, sir.

The Chairman: That is you haul this lumber from your mills about two miles?

69 Mr. Garbutt: Yes, sir.

The Chairman: To a junction point with the Seaboard Air Line?

Mr. Garbutt: Yes, sir.

The Chairman: For that haul you receive a share of the through rate to destination?

Mr. Garbutt: Yes, sir; the railroad receives it.

The Chairman: Whether it goes to the coast or to the West?

Mr. Garbutt: Yes, sir.

The Chairman: But not the same division?

Mr. Garbutt: No, sir; it is not the same.

The Chairman: Is it the same division to all destinations which you include in the term "West"?

Mr. Garbutt: No, sir.

The Chairman: Is it the same to all destinations which you include in the term "the coast"?

Mr. Garbutt: Well, Savannah is the only point we ship to the Seaboard. We get to Brunswick by the A. & B. and F. & B. and the A. C. L.

The Chairman: What is the A. & B.?

Mr. Garbutt: The Atlantic & Birmingham from Way Cross

70 to Montgomery through Fitzgerald.

The Chairman: Well, now, all the lumber produced at your mills is loaded on cars there?

Mr. Garbutt: Yes, sir.

The Chairman: To what connecting roads may that lumber go or does it go? If it is going west, it would go to the Seaboard Air Line at a point about 2 miles from your mills?

Mr. Garbutt: Yes, sir, or to the A. & B. road at Fitzgerald, a point 8 miles from the mills. That division made by the Seaboard was made on account of the Seattle haul, I suppose to the other road; that is, it sifted down to that. They would have to put in the same division if we had a 20-mile haul and it was only 2 miles to the Seaboard—the Seaboard would have to put in the same division or lose the business.

The Chairman: So you were in a situation as to that 2-mile haul to get the same share of the rate as though you hauled it 8 miles to Fitzgerald, because another road could take it at that point?

Mr. Garbutt: Yes, sir.

Com'r Fifer: Are your tariffs on file with the Commission?

Mr. Garbutt: I do not know.

The Chairman: What is the name of your concern?

Mr. Garbutt: The Garbutt Lumber Company.

The Chairman: You are its secretary and treasurer?

Mr. Garbutt: Secretary and treasurer, yes, sir.

The Chairman: Are you an officer of this railroad too?

Mr. Garbutt: Yes, sir; superintendent.

The Chairman: Does your railroad make a report to the Interstate Commerce Commission?

Mr. Garbutt: Yes, sir.

The Chairman: That shows its gross receipts, expenses, etc.?

Mr. Garbutt: Gross receipts, net earnings, expenses, etc.

Mr. Prouty: What was your object in extending the railroad to Ocmulgee river?

Mr. Garbutt: To reduce freights.

Mr. Prouty: You wanted an outlet so that you could say to the roads if you do not give us the divisions we think we ought to have, we will take it to the Ocmulgee river?

Mr. Garbutt: That was the idea.

Mr. Prouty: You are pretty well situated. You have the Ocmulgee river, the Seaboard Air Line and the A. & B. road?

Mr. Garbutt: Yes, sir.

Mr. Prouty: How are your logs taken to the mill—over this road?

Mr. Garbutt: No, sir; the chartered road terminates at the mill and we have main tracks going out into the timber.

Mr. Prouty: You do not carry your logs over this road to your mill?

Mr. Garbutt: No, sir.

Mr. Prouty: Is that the basis which your road receives on a per-mile basis, or is the earnings of an arbitrary?

Mr. Garbutt: An arbitrary.

The Chairman: Yet if I understand you, it is not the same in all cases?

Mr. Garbutt: No, sir.

The Chairman: What is the basis on which it is made?

Mr. Garbutt: How is that?

The Chairman: What is the basis on which your division is made?

Mr. Garbutt: Well, I do not know.

The Chairman: You know what it is, do you not?

Mr. Garbutt: Yes, sir.

Mr. Prouty: You take all the traffic will bear, do you not?

Mr. Garbutt: Yes, sir; if they would give it all to us, we would get it.

Mr. Fifer: Have you ever used these different outlets for your

lumber as a means for forcing a large division of the rate to your company?

Mr. Garbutt: No, sir; our principal object in building the road to Fitzgerald was to get equipment.

The Chairman: Well, as to your division with the other companies, has that ever been used as an argument?

Mr. Garbutt: How is that?

The Chairman: I say, in fixing your part of the through rate, have you ever used that as an argument with the other companies—that you would not be willing to let them have additional company if they did not give you a certain rate?

Mr. Garbutt: No, sir; since the water has gone down that [illegible]

The Chairman: When you stopped hauling from your mills to Wright, to the M. & O. Co., what rate did that lumber go?

Mr. Garbutt: By the Savannah and the M. & O.

The Chairman: When that was 17 cents how much did your road get?

Mr. Garbutt: I could get any time necessary.

The Chairman: I do not know.

Mr. Garbutt: We did not know apparently?

The Chairman: Do you know approximately?

Mr. Garbutt: I think it was a cent and a half. I am not sure whether it was a cent or a cent and a half. The Chairman: When that landed goes to Savannah, what is the rate—not your division, but the rate, the rate from Wright to Savannah?

Mr. Garbutt: Seventeen dollars the through rate, I think, now. At one time we had two or three rates.

The Chairman: Seventeen dollars a thousand.

Mr. Garbutt: Seventeen dollars a car of 24,000 pounds.

The Chairman: How much did you get of that—your road?

Mr. Garbutt: We got three and a half, that is, the road got that.

The Chairman: Are there any further questions to be asked Mr. Garbutt?

Mr. Northrop: What is the rate between Cairo and your mills?

Mr. Garbutt: I could not tell you.

Mr. Northrop: It is 16 cents. What part of that 16 cents does your road get now?

Mr. Garbutt: I do not know.

The Chairman: He says no lumber has gone since the advance.

Mr. Northrop: Still, he has an arrangement, I suppose. Will you prepare a statement showing that and also how much of that $25,000 freight your road got which was testified to here as having been made?

Mr. Garbutt: That will entail more work. That will go into the

railroad business and be on a separate set of books and it will cost you more money to get that up?

Mr. Northrop: How much?

Mr. Garbutt: Well, it would be worth as much as the other, I guess.

The Chairman: Let the witness understand exactly what, if anything, he has to furnish.

Mr. Northrop: Well, I thought he understood. He has already testified that they paid $25,000 freight on certain shipments made here. I would like to know how much of that $25,000 or whatever the exact figures are, his road got as its part of the division.

Mr. Garbutt: I think it would be better to give me a written statement of what the job consists of. Let me know all the data you want in both the mill business and the railroad business?

Mr. Northrop: We can do that.

The Chairman: The witness should be furnished a written statement of exactly what information he is to produce.

(The statement is hereto annexed and marked "Exhibit No. 5 to Mr. Garbutt's testimony.")

Mr. Brown: What have you done with that lumber formerly shipped West and which you cannot now ship by reason of the advanced rates?

Mr. Garbutt: The logs to make car sills have been sawed up into 2 by 4 and 2 by 6 and unloaded around Atlanta, Chattanooga or wherever we can sell them. Most of it was cut up into sawdust, on account of having to run so many more lines through a log to get the stuff into shape to sell. That was not necessary when we cut car sills.

Mr. Brown: How much less per thousand did you get in 1903 than you got in 1902?

Mr. Garbutt: Well, we get about seven dollars for the framing, 2 by 4 and 2 by 6—seven dollars at the mill, and the sills netted us about ten dollars at the mill; and then there is a less amount of waste in the sills than in the framing, on account of the excessive amount of dust.

Mr. Brown: Is there not an increase in the demand for lumber this year, over what it was in 1902?

Mr. Garbutt: No, sir; I do not think there is.

Mr. Brown: That is all.

The Chairman: If there is nothing further to be asked the witness, he will be excused.

The witness was excused.

(Exhibits Nos. 1 to 3, inclusive, to Mr. Garbutt's testimony not furnished.)

77a **Exhibit No. 4 to Mr. Garbutt's Testimony.**

(See p. 56, Testimony.)

Detailed Statement of Shipments.

1903.	In	No.	Dest.	Wt.	Rate.	Freight.	
M'ch 14th	Wabash..	60774	South Bend..	42300	25c.	$105.75	$81.81
" 17th	I. C.....	11777	Joliet, Ill..	28100	25c.	70.25	59.98
" 19th	M. K. T..	2179	Sullivan, Ind.	39240	25c.	98.00	101.25
" 20th	I. C.....	12024	Spg. V., Ill...	36500	25c.	91.25	76.29
" 21st	"	34674	Joliet, Ill....	29500	25c.	73.75	59.05
" 24th	C. P. St. L.	4205	Spg. V., Ill...	43550	25c.	108.37	83.06
" 24th	M. & O...	600	Dayton, O....	35050	25c.	80.87	86.67
" 27th	Sou.....	33500	Vincennes...	34050	25c.	88.53	69.66
" 28th	G. S. F....	4940	"	32300	25c.	82.98	65.88
" 26th	I. C.....	17767	Spg. V., Ill...	47050	25c.	107.62	91.00
" 26th	C.....	1618	"	37200	25c.	93.25	94.18
" 27th	C. & A...	5080	Mt. V., Ill...	37400	19c.	70.87	58.84
" 28th	" ...	1819	"	44600	19c.	84.74	61.05
" 31st	B. M. R..	2914	"	27600	19c.	52.44	47.45
				521300		$1218.67	$1036.15

M. W. GARBUTT,
Sec'y & Treas.

77b Increased cost of feed:

Bought Dec. 6th, 1900, per invoice Zorn & Co. L. & N. 10803 274 sk. No. 2 mixed corn, at..... 58½c.

Bought Oct. 15th, 1901, per inv. S. Zorn & Co. L. & N. 15547, 273 sk. 2 mixed corn, at..... 81½c.

Bought Nov. 1, 1902, per inv. Chambless G. Co., 20 sx. corn, at..... 83½c.

Reduced to percentage basis, shows increase of 41.

Increased cost of timber:

Bought Nov. 4, 1897, per timber lease J. P. Luke, 1270 acres, at per acre..... $2.00

Bought Dec. 3, 1901, per timber lease J. W. Luke, 500 acres, at per acre..... 5.00

Bought Sept. 22, 1902, per timber lease D. F. Faulk, 30 acres, at per acre..... 5.00

Which reduced to percentage basis, shows increase of 200%.

Increased cost of labor:

Month of June, 1901, on pay-roll 381 men, wages paid.....	$6187.15
Month of June, 1902, on pay-roll 380 men, wages paid.....	6930.20
Increase of, per month.....	743.05

Reduced to percentage basis, shows increase of 12%.

M. W. GARBUTT,
Sec'y and Treas.

7a *Net Returns Lumber.*

	In.	No.	No. feet.	Net value.
Mar. 17th	I. C.....	11777	8082	$79.98
" 20th	"	12624	11169	76.29
" 21st	"	34674	8852	59.05
" 24th	C. C. C. St. L.....	4205	12672	83.06
" 27th	Sou.....	33360	7740	69.66
" 28th	G. S. & F.....	4949	7320	65.88
" 26th	I. C.....	17767	13241	91.09
" 26th	C. O. & G.....	1618	12495	94.18
" 27th	C. & A.....	5090	7875	58.84
" 28th	"	1849	8137	61.03
" 31st	B. & M. R.....	2914	6326	47.45
			104589	865.42

Average price per M ft., $7.33.

M. W. GARBUTT,
Sec'y and Treas.

77d No. 1.

List of Shipments Made by Garbutt Lumber Company to the West During the Months of July, August, and September, 1903, Compared with Shipments Made to Same Territory During Same Months in the Year of 1902.

1902.

	1902.					
*16	July 11	Nashville, Tenn.	S. A. L.	14074	41100 lbs.	$111.24
	July 11	Do.	S. A. L.	14114	33500 "	97.10
	July 11	Do.	S. & R.	10029	31600 "	82.25
	July 19	Do.	F. C. & P.	3789	37100 "	99.56
	July 19	Do.	S. A. L.	45838	39500 "	106.54
	July 29	Do.	Erie	6287	39150 "	98.22
	July 30	Do.	N. C. & S. T. L.	1190	34100 "	82.01
	July 30	Do.	do.	8295	44100 "	157.43
	July 30	Do.	do.	1191	38400 "	92.87
*22	July 1	Shelbyville, Ky	L. & N.	8201	40000 "	74.32
*25	July 1	Louisville, Ky	N. C	5636	40000 "	78.81
*29	July 3	Jackson, Mich	I. C	12042	41200 "	112.65
	July 5	Indianapolis, Ind	L. E. St. L.	3447	35800 "	82.08
	July 5	Michigan City, Ind.	Wab	65525	51800 "	143.66
	July 8	Do.	I. C.	6289	37900 "	109.03
	July 9	Middlebore, Ky.	M. & A.	9381	30000 "	50.59
	July 14	Michigan City, Ind.	L. & N.	1387	30000 "	58.44
	July 17	Middlebore, Ky.	Sou	34305	30000 "	119.28
	July 17	Michigan City, Ind.	L. E. & W.	1626	45700 "	127.02
	July 17	Do.	M. & O.	20192	46700 "	149.89
	July 21	Louisville, Ky	I. C	26810	43200 "	147.84
	July 25	Mt. Vernon, Ill.	Sou	26146	44000 "	153.43
	July 25	Michigan City, Ind.	I. C	11098	38000 "	108.45
	July 28	Louisville, Ky	Sou	34597	44000 "	122.12
	July 28	Michigan City, Ind.	E. & T. H.	4769	44000 "	132.40
	July 3	Le Roy, Ill	C. N. O. T. P.	3251	33000 "	69.00
	July 3	St. Louis, Mo.	M. P.	16127	33000 "	69.00
	July 8	Do.	N. C.	150	33000 "	69.00
	July 29	Nashville, Tenn.	N. C.	4006	45400 "	82.80
	July 8	Louisville, Ky	St. L. V. T. H.	10139	43500 "	88.32
	July 30	Greenfield, Ind	I. C.	18105	45400 "	82.80
	July 3	Cleveland, Ohio	N. C	400	33100 "	102.76
	July 15	Cairo, Ill.	L. & N.	13505	32500 "	89.10
	July 21	Linton, Ind.	I. C.	24037	42400 "	121.50
	July 21	Bridgeport, Ohio	S. J. C. L.	15007	41500 "	283.75

Total number of cars shipped, all points, 153.
*25 cars.

July, 1903.

*2-	July 28	Elgin, Ill	C. R. I. P.	2759	34000 lbs.	80.18	
	July 29	Do.	I. C.	15469	41500 "	89.91	*$218.95
*18	July 1	Nashville, Tenn.	C. N. O. T. P.	12513	33800 "	94.50	
	July 20	Do.	L. & N.	15418	28500 "	85.50	*114.12
*23	July 3	Terre Haute, Ind.	A. & R.	5087	58400 "	127.62	
	July 11	Do.	S. A. L.	44280	65600 "	137.70	
	July 11	Do.	S. A. L.	44450	62700 "	137.15	
	July 14	Do.	S. A. L.	45725	66300 "	148.78	
	July 15	Do.	S. A. L.	45204	33400 "	77.45	*716.00
	July 2	Chattanooga, Tenn.	S. A. L.	38168	34500 "	69.95	
*14	July 2	Do.	S. A. L.	38086	28800 "	61.97	*88.90
*31	July 2	Lansing, Mich.	St. L. S. F.	32977	33500 "	101.95	*103.85
*24	July 2	Cincinnati, Ohio	L. & N.	10487	41000 "	131.67	*98.40
						*1344.33	*$1340.22

[* In pencil in copy.]

Total number of cars shipped, all points, 185.
*13 cars.

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August, 1902.

Aug. 9	Michigan City, Ind.	C. C.	15013	30000 lbs.		$96.88
Aug. 13	Mt. Vernon, Ill.	I. C.	24631	64800 "		204.52
Aug. 4	Nashville, Tenn.	N. C.	8434	38600 "		103.73
Aug. 9	Do.	S. S. & F.	17886	48800 "		140.42
Aug. 9	Do.	S. S. & F.	13577			
Aug. 9	Do.	S. [illegible]	933	40600 "		72.61
Aug. 9	Do.	O. R. & C.	117	41000 "		162.07
Aug. 11	Do.	B. & O.	2782	28800 "		102.95
Aug. 12	Do.	Ga.	4072	36000 "		114.05
Aug. 12	Do.	Ga.	4025	37650 "		97.57
Aug. 12	Do.	Ga.	1432	43000 "		89.77
Aug. 13	Do.	Ga.	4036	29700 "		136.55
Aug. 19	Do.	C. R. & S.	545	44800 "		118.19
Aug. 20	Do.	Ga.	4106	36150 "		96.17
Aug. 5	Owensboro, Ky.	L. & N.	2003	40100 "		82.80
Aug. 22	Nashville, Tenn.	L. & N.	14551	42700 "		82.80
Aug. 1	Sullivan, Ind.	I. C.	17581	30900 "		85.05
Aug. 5	Franklin, Tenn.	S. F. L.	9112	30000 "		81.00
Aug. 8	Bridgeport, Ohio	Sou.	23901	34400 "		160.04
Aug. 11	Nth. Vernon, Ind.	I. C.	10058	35800 "		97.20
Aug. 12	Marietta, Ohio.	M. D. T. Co.	7531	38900 "		280.48
Aug. 18	Franklin, Ky.	A. T.	20130	36800 "		90.45
Aug. 22	Wellston, Ohio	Sou.	33808	36000 "		222.78
Aug. 29	Sullivan, Ind.	L. & N.	8114	56200 "		87.48
Aug. 30	Nashville, Tenn.	I. C.	8414	30000 "		86.40

Total number of cars shipped to all points, 144.
*2 cars.

August, 1903.

*29 Aug. 1	Elgin, Ill.....	St. L. S.W. 13860	37800 lbs.	$88.58	*$75.60
*28 Aug. 1	Chicago, Ill.. ..	St.L.I.M.S. 14449	35000 "	67.68	*92.44
				*156.26	*168.04

[* In pencil in copy.]

Total number of cars shipped to all points, 143.
*2 cars.

77f

September, 1902.

Sep. 13	New Castle, Ind	G. S. & F.....	2731	40200 lbs	$70.65
Sep. 13	N. Vernon, Ind.....	L. & N..	15701	29500 "	72.40
Sep. 2	Louisville, Ky.....	L. & N.....	11820	28700 "	91.00
Sep. 6	Mt. Vernon, Ill.....	I. C.....	2110	37040 "	101.27
Sep. 22	Columbus, Ohio.....	I. C	26881	40280 "	103.92
Sep. 22	Michigan City, Ind..	L. & N..	11979	29000 "	115.00
Sep. 3	Nashville, Tenn.....	G. S. F.....	1625	38080 "	120.07
Sep. 3	Do.	N. C.....	6414	43700 "	104.57
Sep. 3	Owensboro, Ky.....	L. & N..	15078	35000 "	98.54
Sep. 18	Bowling Green, Ky...	L. & N..	12415	36000 "	72.45
Sep. 17	Owensboro, Ky.....	Sou	10647	34000 "	80.50
Sep. 11	Do.	L. & N	13791	35500 "	72.45
Sep. 24	Bowling Green, Ky ..	L. & N.....	1708	35200 "	102.35

Total number of cars shipped to all points, 152.
*13 cars.

September, 1903.

*25 Sep. 30	Olney, Ill.	P. & R. R. 78159	[illegible] lbs.	$105.60	*$
*20 Sep. 24	Elgin, Ill.	P. & R. R. 1807	52300 "	126.00	
Sep. 26	Do.	I. A. C. 02288	50400 "	126.00	*20.85
				*357.60	*20.85

[* In pencil in copy.]

Total number of cars shipped to all points, 102.
*3 cars.

78 H. M. GRAHAM.

a witness on behalf of the complainants, having been duly sworn, testified as follows:

Mr. Wimbish: Please state your occupation, Mr. Graham, and place of business.

Mr. Graham: Saw-mill business at Brinson, Georgia, under the firm name of the Stuart Lumber Company.

Mr. Wimbish: Is it a firm or corporation?

Mr. Graham: A corporation.

Mr. Wimbish: Have you any particular office in that company?

Mr. Graham: Vice-president.

Mr. Wimbish: Where is Brinson?

Mr. Graham: It is in Decatur county, Georgia, on the Alabama Midland, now known as the Coast Line. It is seven miles from Bainbridge.

Mr. Wimbish: What is the extent of your investment in business there?

Mr. Graham: We have invested there about $700,000.

Mr. Wimbish: What is your annual output in round numbers?

79 Mr. Graham: About 18,000,000.

Mr. Wimbish: In feet?

Mr. Graham: Yes, sir.

Mr. Wimbish: Can you approximate the value of that?

Mr. Graham: About $11 a thousand.

The Chairman: That means about how much in dollars?

Mr. Graham: About $198,000.

Mr. Wimbish: How long have you been engaged in business there?

Mr. Graham: About 5 years in March.

Mr. Wimbish: Where is your market—where do you ship?

Mr. Graham: Previous to this year we shipped about 80 or 90 per cent. of our lumber West.

Mr. Wimbish: What do you mean by "West"—Ohio River crossings?

Mr. Graham: Ohio, Indiana, Illinois, and Pittsburg and that section.

Mr. Wimbish: How much do you ship now to that Ohio River territory?

Mr. Graham: Well, since we cleaned up the old orders we
80 had prior to the advance, our shipments have fallen away considerably. I think I have a memorandum here. (Referring to paper.) In July of this year we were shipping on old

orders. We shipped 78 cars West, with an average of about 18,000 feet to the car. In August the shipments fell to 36, and in September we shipped only 20.

Mr. Wimbish: How does that compare with former years?

Mr. Graham: September of last year 50, August 63, July 51. We were shut down 30 days last year previous to July. On account of wet weather and high water we shut down 30 days previous to that.

Mr. Wimbish: Under the old rate, how did the cost of freight to the Ohio River territory compare with the value of the lumber at the mills?

Mr. Graham: It was practically the same. The freight was as much as the lumber as a general average.

Mr. Wimbish: That was under the old rate?

Mr. Graham: Yes, sir.

The Chairman: By the "old rate" you mean the rate just prior to the advance of 2 cents?

Mr. Graham: Yes, sir.

Mr. Wimbish: What is the price of lumber compared with
81 the price a year ago, or two years ago?

Mr. Graham: If I recollect, I think my statement shows that it is 50 or 75 per cent. less today than it was then.

Mr. Wimbish: You mean that lumber has not advanced in the last year?

Mr. Graham: No, sir.

Mr. Wimbish: Has it decreased in market value in the western territory since the recent advance, or since the agitation?

Mr. Graham: We found that we just lost the 2 cents advance. We were not able to get the advance. We added the 2 cents a hundred and took it out of our pocket.

Mr. Wimbish: What has been the effect of that on the western business?

Mr. Graham: It has driven us pretty nearly out of it

Mr. Wimbish: What is the effect on the eastern, or coastwise business?

Mr. Graham: We have never shipped any to the coast until the month of September; with the probable exception of one or two cars, we never shipped any there. We were compelled to sell our lumber for less than we were getting West—about two or three dollars less.

82 Mr. Wimbish: How does the cost to manufacture lumber compare with the cost, say in 1900?

Mr. Graham: I should say it has advanced 10 per cent.

Mr. Wimbish: In what items?

Mr. Graham: Labor, feed, oil—in fact everything that goes into the manufacture of lumber has advanced.

Mr. Wimbish: Have the increases in value kept pace with increased cost of manufacture?

Mr. Graham: No, sir.

Mr. Wimbish: What is the grade of lumber shipped to the West?

Mr. Graham: We ship all of the low-grade stock West, in the way of low-grade ceiling, decking, sills, etc.

Mr. Wimbish: Could you use for your western shipments the tops of trees and small trees that otherwise you would not use?

Mr. Graham: Yes, sir.

Mr. Wimbish: What would be the result as to that grade of timber in view of the present conditions existing in the western markets—what becomes of it?

Mr. Graham: I do not know what other people are doing. We are piling it up, hoping some day to get something better. We are shipping very little of this.

Mr. Wimbish: Do you get much of your timber lands on lease?

Mr. Graham: No, sir; we buy everything outright.

Mr. Wimbish: When you cut your timber, are you cutting now those smaller trees?

Mr. Graham: No, sir; nothing under 12 inches.

Mr. Wimbish: Are you bringing in the tops?

Mr. Graham: No, sir.

Mr. Wimbish: How do you get your timber into your mill—by tram road?

Mr. Graham: By tram road; yes, sir.

Mr. Wimbish: After you cut the lots of timber to which the tram road runs, what becomes of the tram road?

Mr. Graham: The spurs, we pull up, but the main line we leave there, of course.

Mr. Wimbish: I am not speeking of your particular road, but after the timber is cut?

Mr. Graham: They pull them up and never go back any more.

Mr. Wimbish: After timber lands have been cut for the grade of timber you can now profitably use as lumber and the spurs are taken up, would it pay to relay that tram road to get the smaller timbers if you afterwards got a market for them?

Mr. Graham: No, sir; it would not.

Mr. Wimbish: What is that land worth then for timber?

Mr. Graham: It is not worth anything then for timber.

Mr. Wimbish: What kind of cars are furnished you by the transportation companies for the movement of your lumber?

Mr. Graham: Boxes, flats, gons.—anything we can get.

Mr. Wimbish: In what condition are these flat cars furnished?

Mr. Graham: Just the naked car.

Mr. Wimbish: What are you required to do?

Mr. Graham: Stake them and strip them. The stakes must be straight grain and practically free from knots. Lumber that ought to be worth fifteen dollars to eighteen dollars per thousand. We are to have 1 by 6 strips and we have to put in bearing pieces.

Mr. Wimbish: What is the cost of equipping a car that way?

85 Mr. Graham: About $3.50 I think—in that neighborhood.

Mr. Wimbish: Are you then required to pay freight on the additional weight of the equipment?

Mr. Graham: Yes, sir.

Mr. Wimbish: Is this equipment returned to you from the West?

Mr. Graham: No, sir.

Mr. Wimbish: Is any allowance whatever made for it?

Mr. Graham: No, sir.

Mr. Wimbish: What has been your experience with reference to the facilities afforded in obtaining cars?

Mr. Graham: We have always been short up to the last 60 days. The last 60 days we had the cars and no business, that is, for western business. We still have trouble getting cars for eastern shipments.

Mr. Wimbish: What is the average value of lumber a ton? Are you prepared to say?

Mr. Graham: No, sir.

Mr. Wimbish: How does your rate compare with that in Alabama and Mississippi?

86 Mr. Graham: We are paying one cent more.

Mr. Wimbish: When did you buy your present property?

Mr. Graham: Four years ago last March.

Mr. Wimbish: In the year 1899?

Mr. Graham: Yes, sir.

Mr. Wimbish: What inducement was offered you by the railways if anything?

Mr. Graham: We were assured by Mr. Jack of the Plant system at that time that our rates would never be any higher than the rates of the other trunk lines, the I. C., the M. & O. and other lines.

Mr. Wimbish: But your rate is higher?

Mr. Graham: One cent; yes, sir.

The Chairman: Was it not one cent higher at that very time?

Mr. Graham: No, sir; we had the same rate at the time we purchased our plant.

Mr. Wimbish: What was the rate at the time you made your location in 1899?

Mr. Graham: 22 cents, I think.

Mr. Wimbish: To Cincinnati?

Mr. Graham: To Chicago it was 22 I think, and 20 cents

87 to Cincinnati.

Mr. Wimbish: Has there been any increase of that rate prior to this recent increase?

Mr. Graham: Yes, sir; 3 cents about 3 years ago. There is a letter there showing that.

Mr. Wimbish: Was not the rate to Cincinnati 19 cents and to Chicago 22 cents in 1898?

Mr. Graham: Yes, I think you are right. I am not positive about that. Shall I read this letter?

Mr. Wimbish: Just state what it contains. You can refer to it to refresh your memory.

Mr. Graham (referring to letter): September 1899, the rate was advanced one cent a hundred to Ohio and Mississippi River crossings and points basing thereon, both north and south of the river. Effective October 1st, 1899, an additional advance of one cent per hundred pounds from Brinson was made to the same points, making the rates 2 cents higher than prior to September 1st. Effective January 1st, 1900, an additional advance of one cent per hundred pounds over the previous advance was made to points north of the Ohio river and west of a line drawn from Buffalo, Erie, Salamanca, Wheeling and Pittsburg. Points taking Buffalo or Pittsburg rates were not affected.

The Chairman: Mr. Wimbish, you may suspend for the present. We will take a recess until 2 o'clock.

At 12.30 o'clock the Commission took a recess until 2 o'clock p. m.

After Recess.

October 26, 1903—2 o'clock p. m.

The Chairman: Gentlemen, you may proceed.

Mr. Graham resumed the stand.

Mr. Wimbish: Mr. Graham, what is the rate from your mills to Chicago?

Mr. Graham: Twenty-seven cents.

Mr. Wimbish: What was that rate prior to this increase?

Mr. Graham: Twenty-five cents.

Mr. Wimbish: What was it in 1898, when you established your plant?

Mr. Graham: Twenty-two cents.

Mr. Wimbish: You have had five cents increase?

Mr. Graham: Yes, sir.

Mr. Wimbish: In your rate?

Mr. Graham: Yes, sir.

Mr. Wimbish: Now, Mr. Graham, just state what the effect upon your business has been as the result of this increase in rates, especially the last increase, and the facts on which you base any opinion, that you may express.

Mr. Graham: Well, the last increase has practically put us out of the western market. The increases have sapped our profits as fast as we made them. It has just allowed us to keep alive, but this last one has finally driven us out of the market.

Cross-examination.

Mr. Baxter: Mr. Graham, what is the rate from your mill to Cairo?

Mr. Graham: I don't know. I never ship anything to Cairo now. We are all out of the through business.

Mr. Baxter: Do you know where your lumber crosses the Ohio river?

Mr. Graham: At Cincinnati, Evansville, Louisville or Cairo.

Mr. Baxter: But whether it goes through Cincinnati, Louisville, Evansville or Cairo your rates to most of the points north of the river base on Cairo, do they not?

91 Mr. Graham: Yes, sir.

Mr. Baxter: Do you remember what the rate from Georgia, Group 1, to Cairo was on November 28, 1891?

Mr. Graham: We are not in Group 1. We are in Group 2.

Mr. Baxter: I didn't know but what you knew what the rates were. Are they more or less than your rates?

Mr. Graham: My opinion is they were only one cent less. I am not sure about that.

Mr. Baxter: The present rate from Group 1 to Cairo is 16 cents, is it not?

Mr. Graham: I don't know. I don't know how the division is made. I think we divide on 17 cents to Cairo.

Mr. Baxter: Prior to the recent advance of two cents per 100 lbs. what proportion of your lumber went to the western market? That is, to north of the Ohio river?

Mr. Graham: At least 80 per cent. went West prior to the advance.

Mr. Baxter: Now of so much of your lumber as went West, what per cent. of it was what you call low grade and what per cent. medium and what per cent. high grade?

Mr. Graham: None of our high-grade lumber goes West.

92 I would say that probably 50 per cent. was medium and 50 per cent. low grade. We do not ship any high-grade stock West.

Mr. Baxter: Since this recent advance, have you attempted to ship any of your high-grade lumber to the East?

Mr. Graham: We have always shipped high-grade lumber East.

Mr. Baxter: Do you find any more difficulty now in marketing your high-grade lumber in the East than you formerly did?

Mr. Graham: No, sir; the high-grade stuff sells itself. The demand is ahead of the supply.

Mr. Baxter: That is the cause of it?

Mr. Graham: I think so. It has been with us.

Mr. Baxter: Then your trouble is with your low-grade and medium lumber?

Mr. Graham: Yes, sir.

Mr. Baxter: Why is it that you have never sent any of your medium or low grade lumber to the East?

Mr. Graham: Because our experience has been all in the West. We were familiar with the trade there and knew how to handle it and we catered to that trade.

Mr. Baxter: Do they not use low-grade lumber in the East as well as in the West?

Mr. Graham: Yes, sir; but the North Carolina people can outfigure us. We cannot ship in there.

Mr. Baxter: It is low-grade rates from North Carolina on medium and low grade lumber that have excluded your mills from the eastern market?

Mr. Graham: I do not know about that. We have never tried to get any of that business East, until this rate went into effect.

Mr. Baxter: Have you tried to ship any of the medium or low grade lumber to the East since this recent advance?

Mr. Graham: We have shipped some commencing the first of September, by way of Savannah and water from Savannah.

Mr. Baxter: Have you had any returns yet from those shipments?

Mr. Graham: No, sir; but we know what we are going to get now.

Mr. Baxter: How will your price that you get on those shipments to the East compare with what you get West?

Mr. Graham: From $2 to $4 per thousand less.

Mr. Baxter: Probably there is that difference all the time in the East as compared with the West?

Mr. Graham: I do not know. Our experience has been very reasonable in the East. We found that when we went in there after business.

Mr. Baxter: How long do you say your mill has been in operation—five years?

Mr. Graham: Five years the first of next March.

Mr. Baxter: You are organized as a corporation?

Mr. Graham: Yes, sir.

Mr. Baxter: Has your corporation been organized during that five years?

Mr. Graham: Yes, sir; it was organized, I suppose, about three or four months after we bought the plant.

Mr. Baxter: How many acres of timber land or stumpage does your company own?

Mr. Graham: About 36,000 acres uncut.

Mr. Baxter: Do you mean by that virgin forests?

Mr. Graham: No, sir; some of it has been turpentined. None of it has been cut over, but some of it has been turpentined.

Mr. Baxter: What did the stumpage cost you when your company was first organized?

Mr. Graham: On an average of $4 an acre, I think.

Mr. Baxter: What is that same stumpage worth today or just prior to this advance in rate?

Mr. Graham: Why, I suppose the stumpage we bought at $4 is worth from about $7 to $8.

Mr. Baxter: Does your company, on its books, show the gross earnings, operating expenses and taxes and net earnings for every year?

Mr. Graham: I think so.

Mr. Baxter: Will you give us an estimate of what it would cost you to furnish us a statement showing the gross earnings, operating expenses and taxes and net earnings for the last five years, including the current year of 1903?

Mr. Graham: I do not have the slightest idea of what it would cost.

Mr. Baxter: You can form an estimate, can you not, and let us know what it would cost you to get that information?

Mr. Graham: It would probably take twelve months to do it and probably cost from $1200 to $1500.

96 Mr. Baxter: Now then the tonnage of lumber, the grades of lumber and the prices delivered f. o. b. at the mills for each of said grades for each year for the last five years, including 1903, or lumber shipped to points on the Ohio river and beyond—do your books show that?

Mr. Graham: Yes, sir.

Mr. Baxter: Can you give us an estimate of what it would cost you to furnish that statement?

Mr. Graham: Why, I don't know. We would have to employ a man—it is a question—I don't know how long it would take him, but a considerable time. A man of that kind would cost a good deal of money; we would have to put an expert in there to do it.

Mr. Baxter: Would that estimate you gave of $1200 or $1500 cover that information as well as the gross earnings, operating expenses, taxes and net earnings?

Mr. Graham: Yes, sir; I think so.

Mr. Baxter: If we will tender you that amount of money will you produce that information.

Objection noted by counsel for complainant.

97 The Chairman: Before passing finally upon that question for the purposes of this case the members of the Commission would like to confer, but I may say now that we have always been disinclined to require that business men who come before us to disclose their business secrets. Judge Baxter has no doubt a right to ask questions of this character, and if the witness declines to answer, his side must assume the responsibility for whatever inference may be drawn from that refusal. If the question is pressed upon us, we will decide definitely what we will do and announce our ruling tomorrow morning.

Mr. Baxter: I will state to the Commission that I shall put this

gation or a similar question to every one of these witnesses or complainants that subject themselves to examination here, and I will insist that I have the right to know whether this business is profitable as not and prove it by their books.

The Chairman: Mr. Graham, are not your books so kept that you can readily ascertain what the expenses of your business are for a given year?

Mr. Graham: Yes, sir.

The Chairman: The taxes?

Mr. Graham: Yes, sir.

The Chairman: Your gross receipts?

Mr. Graham: Yes, sir; I think so.

The Chairman: Your answer to some questions from Mr. Baxter stated that you thought it would take a long time and be very expensive to furnish the facts which he requested.

Mr. Graham: We would have to go back through our books and work out the information he wants.

The Chairman: You have a balance sheet every year, or oftener, I suppose?

Mr. Graham: Yes, sir; but he wants a good deal of information, not shown on the balance sheet. We have got to go through our ledger books and show the points of shipment, the rate and freight, the number of feet and everything. We have got to go over our books for the entire five years.

Commissioner Clements: Would there enter into that any business beside the manufacture and sale of lumber?

Mr. Graham: No, sir.

Commissioner Clements: Would there come into that anything about the price of land, or stumpage, or profits or loss carried in that way?

Mr. Graham: Yes, sir; if there was a loss on the timber it would show it, or if there was a profit on the timber.

The Chairman: Now, your question, Judge Baxter, was, first as to the gross earnings of this company?

Mr. Baxter: Yes, sir.

The Chairman: Its operating expenses and taxes?

Mr. Baxter: Yes, sir.

The Chairman: And its net earnings?

Mr. Baxter: Yes, sir; that is one branch of the case. Now the next was that the tonnage of lumber, the grades of that lumber, the prices of that lumber at the mill, f. o. b. of each of those grades, each year of the last five years including 1903, on lumber sold to points on the Ohio river and beyond. Now, that last branch of the case is a complicated question that would call for a great deal of investigation and research and of course, if we get it, we will have to pay for it. We cannot ask Mr. Graham to go over his books and do that work, which would cost him $1200

or $1500 in order to furnish us the information and furnish it without cost. We are asking him how much it would cost and then knowing that, we will decide whether we can afford to get it.

100 I understood the witness to say that he would not furnish it.

The Chairman: I did not understand him to say that he would not furnish it.

Mr. Graham: We will furnish some. We do not care to tell everybody what we make or lose.

The Chairman: There is no difficulty about your furnishing a statement of your total tonnage of business?

Mr. Graham: No, sir; but we have to take five years' business. We have to take the price, the freight rate, etc. We can get it up, though, if they want to pay a man to do it. We have it in shape where we can get it out.

The Chairman: It would be comparatively easy, would it not, to furnish a statement showing the number of car-loads shipped in each year without regard to the quality of the lumber?

Mr. Graham: Yes, sir; it would be a very easy matter.

The Chairman: That is, to all destinations, that you describe as the West?

Mr. Graham: Yes, sir.

The Chairman: Judge Baxter, you asked for a separation

101 of the lumber shipments by grades of lumber?

Mr. Baxter: Yes, sir. They say some of it goes East and some West, and we want to see how much of these different grades go West.

The Chairman: He has stated, as I recollect it, that none of their high-grade lumber at any time has gone West.

Mr. Baxter: But the medium and low-grade lumber does go West according to his statement and we want to know how much goes West.

The Chairman: In his opinion or according to his estimate 50 per cent. was medium and 50 per cent. low grade.

Mr. Graham: That is a guess; but we can furnish the figures.

Mr. Baxter: We want the prices f. o. b. to see whether the price has been going up or down during those five years.

The Chairman: Your request being confined to lumber shipped to the Ohio river and beyond?

Mr. Baxter: Yes, sir; confined to lumber shipped to the Ohio river and beyond. We do not ask anything about the lumber going to the East or about lumber sold in the neighborhood or in Atlanta or anywhere else in the States.

102 The Chairman: You want to know how much lumber of the medium grades and the low grades this concern has shipped in each of the last five years referred to here in the northern and western destinations described and the prices f. o. b. at their shipping stations.

Mr. Baxter: Yes, sir; at the mill.

The Chairman: That information you can furnish?

Mr. Graham: Yes, sir.

Mr. Wimbish: We have no objection to that.

The Chairman: Are you able to give an estimate of the length of time in which that can be furnished and the expense to you of preparing it?

Mr. Graham: I should think it would take—it depends upon how many men you put on it. I should think it would cost $1000 to $1200 or $1500. I am not prepared to say exactly. It would depend upon what you would have to pay the men. It would be somewhere about $1500 for five years' business.

Commissioner Prouty: Judge Baxter, will not anything answer your purpose except an absolute statement of the exact amount he received from the shipment of that lumber? Could you not get at it by an average—by taking a certain number of shipments for a month? Would that not show the price current with sufficient accuracy? I understand this gentleman did not begin operations until 1898. He only goes back five years. If he were to give you his sales for a certain time in each year or in each month, would that be sufficient for your purposes?

Mr. Baxter: I think it would.

Commissioner Prouty: Rather than to require him to give you an account of every sale he made?

Mr. Baxter: The reason I was asking for the five years was I did not want them afterwards to come in and say that we did not call far enough to be fair, and that we ought to have called for all the months if we called for any. All I want is a fair test as shown by their books, not as shown from recollection. I want to show how these prices have gone up and down at these mills during that time. This gentleman cannot go back five years, but perhaps the next man on the stand can go back of him, but taking it altogether, the Commission will have before it something accurate and reliable, something besides the opinion of witnesses, that they have not prospered and made money. Those are the only questions I have to ask of this witness.

The Chairman: Mr. Baxter and Mr. Wimbish, it is suggested by Commissioner Clements, that inasmuch as you are going to confer about certain information asked for in the preliminary matter you might extend that conference to include the subject now being discussed with a view to agreeing upon some plan or method of obtaining so much information as will satisfy Mr. Baxter and be within the reasonable convenience of these complaining shippers.

Mr. Wimbish: We agree to that.

Mr. Baxter: I am perfectly willing to say to counsel now that if they have any of their prices current, published from time to time, or any other record made by the Saw-mill Association or record made

NG – POSSIBLE BLURRED PAGES

of prices f. o. b. at the mill on the different grades of lumber, that will be perfectly satisfactory. The substance is what I am after. I want to get the actual rates at the mill in this particular section of the country covered by this investigation.

The Chairman: It would seem that this trade was well organized and stable and long continued and that therefore it would not be very difficult to ascertain what has been the prevailing prices

105 f. o. b. at the various points of production, without going through the books of each one of these shippers, and that is what I understand to be the real purpose of Mr. Baxter's question.

Mr. Baxter: That is what I want and I do not want to pay any money unnecessarily for unnecessary, expensive investigations. If they have a reliable record of their actual sales, that is all that I want.

The Chairman: It is not what this witness received for his lumber that you want but the actual market prices f. o. b. at the mills, in the region in controversy.

Mr. Baxter: That is all I want.

The Chairman: It would seem that that information could be quite readily supplied and be of such definite character, that Mr. Baxter would accept it as reliable.

Mr. Wimbish: We will endeavor to supply it just as far as we can and at our conference, we will see if we can agree about it.

The Chairman: For the time being we may refer the question you now raise to counsel to see if you can agree upon it.

106 Mr. Baxter: I have no other questions to ask of this witness.

Commissioner Prouty: You began business about 1898 or 1899?

Mr. Graham: 1899 I guess it was.

Commissioner Prouty: In what market, did you sell your lumber then?

Mr. Graham: Everything practically went West. That was the only territory we were familiar with at the time.

Commissioner Prouty: And the rates you have an interest in then were reduced to the West?

Mr. Graham: Yes, sir.

Commissioner Prouty: And you were assured by the railways serving you that the rates from your section should be no higher than via any other road east of the Mississippi river?

Mr. Graham: Yes, sir.

Commissioner Prouty: Did you sell your high-grade lumber in the West then?

Mr. Graham: Yes, sir, only in the first few months of our business we did some.

107 The Chairman: I thought you stated that you did not sell any high grade there?

Mr. Graham: For a few months we did because we were not known in the East and not familiar with the eastern market.

The Chairman: In what part of the East have you sold the high grade since then?

Mr. Graham: New York and Boston.

The Chairman: How did it reach New York and Boston?

Mr. Graham: All rail.

The Chairman: Since you began business have your rates to New York and Boston been advanced?

Mr. Graham: No, sir.

The Chairman: What do you call a fair profit per thousand feet on your business?

Mr. Graham: Why, $2.00 a thousand.

The Chairman: I think you were asked about it, but not very fully; having reference to this assurance you received that your rates should not exceed those of other lumber producers east of the Mississippi river, were the rates at that time from your shipping point as low as you understand there were from any point east of the river?

Mr. Graham: The same rate; we had the same rate at that time.

The Chairman: And when did your rate become one cent higher?

Mr. Graham: In 1900, I think. This letter I read states. I understand the road north of the river advanced a cent and the roads between Montgomery and the river advanced a cent and the Plant system added a cent, and made our rate one cent higher. When we first went into business the proportion was five cents to Montgomery; now they get six; there has been an advance all the way on the line. Now they get six.

Commissioner Clements: So that while the rates from Mississippi were increased two cents yours were increased three?

Mr. Graham: Yes, sir; we have about 50 to 75 cents the worst of the market today.

The Chairman: Having reference to the lumber you have sold in what you describe as the West, where are your most active competitors located?

Mr. Graham: I should judge at Mississippi points.

The Chairman: In endeavoring to sell your output in Chicago,—Illinois, Indiana, and Ohio you have found your most serious competition coming from the lumber producers in Mississippi?

Mr. Graham: Yes, sir.

The Chairman: So far as the transportation charge is concerned they have had a one-cent higher rate than you?

Mr. Graham: Yes, sir.

The Chairman: And have now?

Mr. Graham: Yes, sir.

The Chairman: Have you been affected by lumber produced west of the Mississippi?

Mr. Graham: I do not think so; I do not think we have. Anyway, I thought it was all on the same basis.

The Chairman: Which have been your principal markets of sale?

Mr. Graham: We ship more lumber to Chicago and surrounding points like Pullman and Hegewisch, to the car companies up there; Detroit and Dayton, Ohio, you might add.

The Chairman: You have felt in those markets the competition of the Mississippi lumber rather than lumber from west of the Mississippi river.

110 Mr. Graham: I think the large proportion of the lumber that comes from west of the river does not compete with our particular grade of lumber. They do not make the particular lumber we do; and they have the short leaf and we have the long leaf.

Commissioner Prouty: Does your lumber sell for the same price that the Mississippi lumber does?

Mr. Graham: Yes, sir; practically.

Commissioner Prouty: And is used for the same purposes?

Mr. Graham: Yes, sir.

Mr. Wimbish: Do you know the mileage from your shipping point to Chicago?

Mr. Graham: I should judge about 980 miles; somewhere near that.

Mr. Wimbish: Do you know the mileage from Laurel, Miss., to Chicago?

Mr. Graham: No, sir; I do not; it must be very something very close to that, though.

Mr. Wimbish: Is it greater or less? Do you know?

Mr. Graham: I do not, sir.

Mr. Wimbish: Do you know the mileage from the lumber-

111 shipping points in Arkansas to Chicago.?

Mr. Graham: No, sir.

Mr. Wimbish: Is your company a member of the Georgia Saw Mill Association?

Mr. Graham: Yes, sir.

Mr. Wimbish: Have you received the various price-lists sent out from time to time by the secretary of that association?

Mr. Graham: Yes, sir; but we have only been a member for less than a year.

Mr. Wimbish: Have those prices been maintained?

Mr. Graham: Since they were issued? Since we have been a member, do you mean?

Mr. Wimbish: I mean do you sell by those prices more or less?

Mr. Graham: We base our figures on those prices as a usual thing.

Mr. Wimbish: Has the minimum number of pounds allowed in a car-load been increased in the last few years?

Mr. Graham: Yes, sir.

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Mr. Wimbish: What was the minimum in 1898?

112 Mr. Graham: 24,000 pounds.

Mr. Wimbish: What is it now?

Mr. Graham: 30,000 pounds.

The Chairman: Is there any difficulty in loading the minimum?

Mr. Graham: No, sir.

Commissioner Prouty: What did you say was your average loading—about 40,000 pounds?

Mr. Graham: I should judge that our stock will average about 40,000 pounds. I could tell exactly by reference to the books.

The Chairman: Your mills are located on the tracks of what road?

Mr. Graham: The Atlantic Coast Line, Montgomery division. It used to be, formerly, the Alabama Midland, I think.

The Chairman: You have no tap line or logging road?

Mr. Graham: Yes, sir; we have a logging road.

The Chairman: Which brings your lumber to the mill?

Mr. Graham: Yes, sir; and delivers the lumber to the railroad.

The Chairman: Then the Atlantic Coast Line does not

113 reach into your yards or mills?

Mr. Graham: We are probably about a half or three-quarters of a mile from their tracks.

The Chairman: Is that logging railroad owned by your concern, or by a separate organization?

Mr. Graham: It is a separate organization, but owned by the concern.

The Chairman: Do you receive any allowance for the services performed by the road?

Mr. Graham: They add two cents to the rate, which we absorb, and we eventually pay it. Our mill rate is two cents higher than the main line; it is added and we pay it back to the consignee. On the basis of f. o. b. at the mill, we pay two cents a hundred back to him. So it eventually all comes out of us.

The Chairman: As I understand, then, this logging road makes a charge of two cents?

Mr. Graham: Yes, sir.

The Chairman: Which is added to the rate?

Mr. Graham: Yes, sir.

The Chairman: And then is refunded by you?

Mr. Graham: Yes, sir.

114 Commissioner Prouty: What did you say your rate was to Chicago:

Mr. Graham: It is 27 cents from Brinson. We sell a man a bill of lumber and he pays the rate of 29 cents and then deducts the freight. They charge 29 cents and he deducts the freight of 29 cents. They allow the railroad company something for hauling those cars out, but it all comes out of the rate. It is one concern; it comes out of the Stewart Lumber Company.

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Mr. Wimbish: That is a matter of book-keeping with you?

Mr. Graham: Yes, sir.

Commissioner Prouty: You have the main-line rate in fact?

Mr. Graham: Yes, sir.

Commissioner Prouty: You pay that full rate?

Mr. Graham: Yes, sir.

Commissioner Clements: Something has been said about the expense to the shipper of putting standards and braces on flat cars loaded with lumber. What does that expense amount to on a car?

115 Mr. Graham: The value of the lumber is about $3.50 a thousand, and the freight on the same is from $2.75 to $3.00 on an average.

Commissioner Prouty: You mean that much a car. You said $3.50 a thousand. I suppose you meant that much a car.

Mr. Graham: That much a car, I should have said, yes, sir.

The Chairman: Do you wish us to understand that it actually costs you $3.50 a car for the equipment?

Mr. Graham: Yes, sir; it does.

The Chairman: And that the freight charges, at 27 cents, on the weight of those standards amounts to how much?

Mr. Graham: From $2.75 to $3.00 we pay on every flat car.

Commissioner Clements: And what is the weight of those things that you put on as equipment of the flat cars for lumber?

Mr. Graham: They go up to 1100 pounds.

Commissioner Clements: 1109 pounds on a car?

Mr. Graham: Yes, sir.

Commissioner Clements: Do you get anything for that?

116 Mr. Graham: No, sir; not a cent.

Commissioner Clements: Do they sell it for anything?

Mr. Graham: No, sir; they throw it in the waste pile, I suppose.

Commissioner Clements: It amounts to an aggregate on a car to do that and pay the freight of how much?

Mr. Graham: It figures up to $6.50; on every flat car, that is.

The Chairman: That is not applicable to shipments in box cars?

Mr. Graham: No, sir.

The Chairman: Is there anything further to be asked Mr. Graham? If not, he will be excused.

Witness excused.

Y BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

G. S. EVANS.

witness called on behalf of complainant, having been duly sworn, stified as follows:

Mr. Wimbish: Mr. Evans, state with what company you are connected, if any, its location, its business and your official connection with it?

Mr. Evans: I am with J. S. Best & Company, manufacturers of ellow pine, and all by-products, at Ashburn, on the Georgia, Southrn & Florida railroad. It is a firm, and I suppose I might be rmed the general manager, possibly. I have no special official tle.

Mr. Wimbish: Is your firm a member of the Georgia Saw Mill ssociation?

Mr. Evans: Yes, sir.

Mr. Wimbish: What has been your experience with respect to aintaining prices?

Mr. Evans: Do you mean of late, or for several years?

Mr. Wimbish: I mean during your connection with the association referred to.

Mr. Evans: Why, we have been selling at about the association prices.

Mr. Wimbish: You have averaged about those prices?

Mr. Evans: Yes, sir.

Mr. Wimbish: Do you know the relative amount of lumber to ther tonnage carried by the Georgia, Southern & Florida railroad?

Mr. Evans: No, sir, I do not.

Mr. Wimbish: What percentage of your product do you ship to e Ohio river, and to points beyond?

Mr. Evans: I do not really know.

Mr. Wimbish: Can you not give an estimate, Mr. Evans?

Mr. Evans: Why, prior to this rate advance, we shipped quite a , maybe 25 per cent. Since the rate advance, we have been tak- no business or orders.

Mr. Wimbish: Why have you not taken new business?

Mr. Evans: We simply could not get it.

Mr. Wimbish: Why could you not get it?

Mr. Evans: That is a question, I cannot tell.

Mr. Wimbish: Is it due to any other cause except the advance in rates?

Mr. Evans: No, sir, not that I know of.

The Chairman: You mean by that that you cannot pay e present rate and compete with other dealers, who sell that grade lumber, in the same markets, north of the Ohio river?

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Mr. Evans: I do not know, what the cause is, but we cannot get the business.

Mr. Wimbish: Have you increased your prices?

Mr. Evans: No, sir.

Mr. Wimbish: You did get the business before the increase in rates, did you not?

Mr. Evans: Yes, sir, we had quite a lot of business.

Mr. Wimbish: Have you made as much effort as you made prior to the advance in rates to get business?

Mr. Evans: Yes, sir.

Commissioner Prouty: Who do you understand are your competitors—Mississippi lumber mills?

Mr. Evans: Really I do not know, but I have always thought that the Mississippi lumber mills were the strongest.

Commissioner Prouty: Their rates have been increased, have they not, just as much as yours?

120 Mr. Evans: I do not know.

Commissioner Prouty: How do you account for your increase in rate?

Mr. Evans: I do not know what has caused it, but we do not get the business. It is not coming to us.

Commissioner Fifer: When did it take place that you were driven out of the western market?

Mr. Evans: I have a statement here of our shipments for the year, and can give each month, if you care to know what it is.

Commissioner Fifer: What efforts did you make to hold the business when you had it?

Mr. Evans: By furnishing stock up to grade and giving good service.

Mr. Wimbish: Have you the same rate that Mississippi has to these points?

Mr. Evans: I cannot tell you.

Mr. Wimbish: You are not familiar with the rate from Mississippi?

Mr. Evans: No, sir.

Mr. Wimbish: Do you know what effect the competition of

121 spruce and hemlock, and other woods have?

Mr. Evans: They are in strong competition; there is strong competition.

Mr. Wimbish: Don't you have competition from that class of woods as well as from the southern product?

Mr. Evans: Yes, sir.

Mr. Wimbish: What is the grade of lumber you ship to those western markets mostly?

Mr. Evans: Low grades mostly.

Mr. Wimbish: You say you have a statement with you showing the shipments you have made each month of this year.

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Mr. Evans: Yes, sir.

Mr. Wimbish: Will you give the benefit of the information in that statement to the Commission?

Mr. Evans: In January 28 cars; in February 26; in March 12; in April 26; in May 12; in June 16; in July 5; in August 6; and in September 4 cars.

Commissioner Prouty: Can you give us your total shipments for these months?

Mr. Evans: No, sir, I have not that information. We cut about 30,000,000 feet a year.

Mr. Wimbish: Have you a comparative statement of that year with this year?

Mr. Evans: I have for three months; yes, sir: July 30 cars; August 9 cars; and September 16 cars.

Mr. Wimbish: Is that this year.

Mr. Evans: No, sir, last year.

Mr. Wimbish: What are they for those three months this year?

Mr. Evans: Five, six, and four.

Commissioner Clements: Has your business as a whole been diminished to the extent which those figures would show, month by month, or has it simply been diverted to other points of shipment?

Mr. Evans: We are shipping that stuff now, principally locally, that is to points in the State of Georgia and Tennessee and around nearby.

Mr. Wimbish: How did your total shipments compare last year with this year with respect to those three months?

Mr. Evans: Our total output?

Mr. Wimbish: Yes, sir.

Mr. Evans: About the same.

Mr. Wimbish: There has been no decrease in the general business?

Mr. Evans: No, sir.

Mr. Wimbish: What is the increase in the rate to Michigan City, Indiana?

Mr. Evans: I think that was four cents, but was changed and reduced to two: I think so. I am not positive about that.

Mr. Wimbish: How does the amount of freight paid on shipments to these western points compare with the value of the lumber at the mill?

Mr. Evans: About the same.

Mr. Wimbish: About the same?

Mr. Evans: Just about the same; yes, sir.

Mr. Wimbish: Mr. Evans, is lumber a commodity that is liable to be damaged in transit?

Mr. Evans: No, sir, not much.

Mr. Wimbish: To what dangers is it exposed in transit?

Mr. Evans: Stock loaded on flat cars I should not think would be damaged to any extent; box-car material might be.

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124 Mr. Wimbish: Suppose there should be a wreck when the lumber is loaded on a flat car, if that flat car is wrecked and the contents of it emptied, what would the damage to the lumber be as compared to damage to coal?

Mr. Evans: Nothing like as much.

Mr. Wimbish: Nothing like as great as the damage to coal would be?

Mr. Evans: I should think not.

Mr. Wimbish: How long has your firm been in this business?

Mr. Evans: About fifteen years.

Mr. Wimbish: What is your annual output?

Mr. Evans: About 30,000,000 feet.

Mr. Wimbish: How many claims for damages have you made against the railroad companies?

Mr. Evans: The only one I know was for the car of lumber that was burned. That is the only one I know of.

Mr. Wimbish: Who loads these cars with lumber?

Mr. Evans: We do.

Mr. Wimbish: Had you had difficulty in getting the cars?

125 Mr. Evans: Yes, sir; we have trouble in getting them today.

Mr. Wimbish: There is still trouble in getting them?

Mr. Evans: Yes, sir.

Mr. Wimbish: Do you know whether shippers of other freight, like cotton and fruit and naval stores suffer from the same lack of facilities, from your observation?

Mr. Evans: We practically have nothing from our town except cotton, and cotton is moved promptly.

Mr. Wimbish: That is moved promptly?

Mr. Evans: Yes, sir.

Mr. Wimbish: Is lumber a commodity that is shipped in, you may say, regular amounts throughout the year?

Mr. Evans: Yes, sir.

Mr. Wimbish: Then there is no particular season for the shipment of lumber?

Mr. Evans: No, sir.

Mr. Wimbish: It extends throughout the year?

Mr. Evans: Yes, sir.

Mr. Wimbish: What is the expense of equipping flat cars in conformity with the requirements of the Master Car Builders'

126 rules?

Mr. Evans: It is about $3.00 a car—no; about $2.00 a car, according to the actual stock, that we put on. That is about what it costs us.

Mr. Wimbish: $2.00 a car actually it costs you?

Mr. Evans: Yes, sir.

Mr. Wimbish: It costs you that?

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Mr. Evans: Yes, sir; we equip them a little differently than possibly some others do.

The Chairman: How much will that equipment average to weigh, per car?

Mr. Evans: About 1,000 pounds.

Commissioner Fifer: You pay freight on that, do you?

Mr. Evans: Yes, sir; we have to pay the freight.

The Chairman: What is your shipping point?

Mr. Evans: Ashburn.

The Chairman: That is on what road?

Mr. Evans: It is on the Georgia Southern & Florida.

The Chairman: What are the principal markets north of the Ohio river to which you have been shipping this lumber?

Mr. Evans: Indiana, Illinois and Ohio points for our
127 western business—for that class of stock.

The Chairman: You have shipped to a good many localities, then, in those States?

Mr. Evans: Yes, sir.

The Chairman: What was your rate before this advance of two cents was made?

Mr. Evans: I am not positive about that.

The Chairman: You don't know what you have been paying?

Mr. Evans: Not without looking at the freight account.

Commissioner Fifer: Have you not been paying the published rates?

Mr. Evans: Yes, sir.

The Chairman: Have you any logging road?

Mr. Evans: Yes, sir.

The Chairman: Is that owned by your firm?

Mr. Evans: Yes, sir.

The Chairman: And not by a separate corporation?

Mr. Evans: No, sir; it is owned by our firm.

The Chairman: Do you use that road for delivering the lumber to railroad companies?

Mr. Evans: Only for switching from the mill to the rail-
128 road tracks.

The Chairman: Are you allowed anything for that service?

Mr. Evans: $2.00 a car regardless of the weight.

The Chairman: Is that deducted from the rate?

Mr. Evans: Why, it is paid by the railroad company.

The Chairman: They allow you $2.00?

Mr. Evans: Yes, sir; $2.00 a car.

The Chairman: For switching?

Mr. Evans: Yes, sir; we take the empty car from their siding and deliver it back to them on their tracks loaded.

The Chairman: About what distance do you switch them?

Mr. Evans: It varies from the different planing mills, and saw-

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mills. I suppose the longest distance would be about a quarter of a mile.

The Chairman: It is only a short distance then?

Mr. Evans: Yes, sir; a short distance.

The Chairman: You switch the cars in to your mill and load them and place them back on the railroad company's tracks loaded?

Mr. Evans: Yes, sir.

The Chairman: And for that you are allowed $2.00 a car
129 irrespective of the weight?

Mr. Evans: Yes, sir.

The Chairman: Are you allowed $2.00 in and $2.00 out?

Mr. Evans: No, sir; only out-loaded; not on empties in.

Mr. Wimbish: Do you get any other proportion or division for that service?

Mr. Evans: No, sir.

Mr. Wimbish: Do you pay the freight on the increased weight of this equipment on these flat cars that you ship West?

Mr. Evans: Yes, sir.

Mr. Wimbish: How much does that amount to on an average?

Mr. Evans: It would run about 7 or 8 cents to each cent of freight rate. On a 20-cent rate, it would be $1.60.

Mr. Wimbish: You say the cost of equipping those cars is $2.00?

Mr. Evans: Yes, sir, with us.

Mr. Wimbish: With you?

Mr. Evans: Yes, sir.

The Chairman: Then it does not average to weight 1,000 pounds?

Mr. Evans: It would weigh about 1,000; it would vary.
130 It would depend on the height of the pile of lumber, you understand.

The Chairman: How do you bring the charge down to $1.60?

Mr. Evans: On a 20-cent rate it would be about $1.60.

The Chairman: That would be 800 pounds. That would make the weight about 800 pounds?

Mr. Evans: As I stated, it depends on the length of the standard and the lumber put on the car.

Mr. Wimbish: If timber has been boxed and turpentined, what necessity is there for the prompt removal of the timber?

Mr. Evans: Because of its liability to die or burn down.

Mr. Wimbish: After timber has been boxed, does it furnish a high-grade lumber or low-grade lumber?

Mr. Evans: Usually a low-grade lumber.

Mr. Wimbish: I believe you testified that your market for low-grade lumber was in the West?

Mr. Evans: Yes, sir; principally; it has been.

Mr. Wimbish: What effect will this increase in rate have, or has it had, upon the value of this timber, that has been boxed?

Mr. Evans: Unless we get another market for it, it will
131 be destructive of our market for it.

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Mr. Wimbish: Has the cost of timber increased in the last three or four years?

Mr. Evans: Yes, sir.

Mr. Wimbish: What percentage would you say?

Mr. Evans: Two hundred I should say.

Mr. Wimbish: Two hundred per cent.?

Mr. Evans: Yes, sir.

Mr. Wimbish: What per cent. of increase, if any, has there been in the cost of manufacture of timber?

Mr. Evans: I am not in a position to say, but the percentage has been very heavily increased.

Mr. Wimbish: There has been a heavy increase?

Mr. Evans: Yes, sir; all along the line.

Mr. Wimbish: Has there been any increase in the price of lumber in that time?

Mr. Evans: In what time?

Mr. Wimbish: In the last three or four years.

Mr. Evans: Why, materially none in our particular instance. We are a little differently situated from other mills. We get
132 up more various products than some other mills. In our particular instance I do not know that there has been any material increase or decrease in the price; not any material difference.

Mr. Wimbish: If there has been any increase, has it kept pace with the increase with the cost of manufacture?

Mr. Evans: No, sir.

Cross-examination:

Mr. Kaye: Mr. Evans, when did you acquire your present location?

Mr. Evans: About fifteen years ago.

Mr. Kaye: What did it cost you per acre?

Mr. Evans: About $1.00.

Mr. Kaye: How many thousand feet per acre of merchantable stuff would that turn out?

Mr. Evans: I suppose some 3,000 or 4,000 feet—3,500 to 4,000 feet.

Mr. Kaye: How much of the class of stuff that you ship West would you turn out?

Mr. Evans: We have increased the amount per acre, that
133 we turn out, by using the lower grades.

Mr. Kaye: Of the total output, both merchantable and low grade, how many thousand feet per acre will that land turn out?

Mr. Evans: I suppose 6,000 or 8,000 feet.

Mr. Kaye: Do you keep an account of your stumpage?

Mr. Evans: Not an accurate account: no, sir.

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Mr. Kaye: You charge for the stumpage, don't you?

Mr. Evans: No, sir; we never have.

Mr. Kaye: How do you know then what your lumber has cost you to produce?

Mr. Evans: I do not know that we can say exactly what it does cost.

Mr. Kaye: Is it not true that the greatest element in the increased cost of production of lumber has been the increase of stumpage?

Mr. Evans: Yes, sir.

Mr. Kaye: While there have been some other items, they have been small as compared with that?

Mr. Evans: Yes, sir.

Mr. Kaye: What do you figure your western stuff costs
134 you to produce, low-grade stuff,—car sills, etc.?

Mr. Evans: Up to a few years ago we would not make that at all because it was unprofitable, and now we don't want it when it gets below a certain price.

Mr. Kaye: When was the last time you produced any of that low-grade stuff? How recently?

Mr. Evans: I can hardly answer that; but we have taken no business of any account since the rate advanced.

Mr. Kaye: Well, your figures show that you moved 16 cars West in May?

Mr. Evans: Yes, sir.

Mr. Kaye: That was the heaviest amount of lumber you moved in some time, was it not?

Mr. Evans: No, sir; I think we shipped more in June possibly. I have it right here on this statement, and will see.

Mr. Kaye: Is it not true that anticipating the increase in this rate your firm moved as much of this lumber as you could before that advance went into effect?

Mr. Evans: Yes, sir; we had the orders on hand.

135 Mr. Kaye: Is it not probably true that the customers for the low-grade stuff were almost entirely car works in the West?

Mr. Evans: To a large extent.

Mr. Kaye: 80 per cent. of it went to the car works, did it not?

Mr. Evans: A good deal of ours went to various concerns.

Mr. Kaye: Is it not true that the principal market for this low-grade stuff is at such places as the Mt. Vernon car works and the Pullman Car Co. and that sort of consumers?

Mr. Evans: Yes, sir; but quite a lot of it goes for farm construction, for barns, and buildings such as that.

Mr. Kaye: Now in order for you to tell whether you are getting a profitable order or a losing order, have you not got to take into account the cost of stumpage, or make some allowance for stumpage?

Mr. Evans: We know about what the value of it is.

Mr. Kaye: When you figure on an order, as to whether it will be profitable or not, do you figure upon the cost or the present market value of the stumpage?

Mr. Evans: How is that?

136 Mr. Kaye: If an order is offered you from Mt. Vernon, Illinois and you decide whether you will take that order or not, you want to know whether there is going to be a profit or a loss on that order. How much do you allow for stumpage in order to figure on how you are coming out on it?

Mr. Evans: Well, we have never really figured stumpage in that way.

Mr. Kaye: You do figure it in some way?

Mr. Evans: I think the stumpage is worth about $2.00 per 1,000.

Mr. Kaye: And that same stumpage didn't cost you exceeding 25 cents to 50 cents per 1,000—that low-grade stuff?

Mr. Evans: Fifteen years ago; no, sir.

Mr. Kaye: Is it not true that the question of the western lumber rate would affect the value of the stumpage rather than the profit of the manufacturer?

Mr. Evans: How is that?

Mr. Kaye: Would not the increase in the western lumber rate even if it reduced the price of lumber, be reflected more in the price of the land held as stumpage than in the output of the millman manufacturing that same stuff?

Mr. Evans: There is practically no stumpage to be had at present in Georgia. It is all taken up by the mills now.

137 Mr. Kaye: How many cars did you ship West in 1900?

Mr. Evans: I could not tell you.

Mr. Kaye: How many in 1901?

Mr. Evans: I could not tell you.

Mr. Kaye: Why do you take the year 1902, solely for illustration of 1903. Is it not true that lumbermen generally have been going through a period of great prosperity?

Mr. Evans: They have. It applies to those who had the stumpage before the advance in stumpage—in other words, if they sold the timber, they would make more money.

Mr. Kaye: What you mean is that if a man went now to buy a location he would find the stumpage so high, if it continued at the same price and rates and prices were at the same basis, there would not be much profit in manufacturing.

Mr. Evans: Yes, sir.

Mr. Kaye: Therefore the increased price has been reflected in the increased price of stumpage. That is where the profit is going.

Mr. Evans: I think so.

Com'r Clements: What is included in the term "high grade 138 lumber"?

Mr. Evans: Heavy timbers; rift flooring and such as that—heavy timbers such as go into bridge construction.

Com'r Clements: What is generally understood to be covered by the term "middle grade"?

Mr. Evans: Flooring, ceiling—low grades; car sills—stuff cut from small trees.

Com'r Clements: And the lower grades?

Mr. Evans: Knotted tops, etc., cut from the same trees. It goes into low-grade flooring, roofing, etc.

Com'r Clements: Lumber, I suppose, is universally loaded by the shipper and unloaded by the consignee and not by the railroad?

Mr. Evans: That is right.

Com'r Fifer: Why is it that none of this high-grade lumber goes to western markets?

Mr. Evans: I do not know. They use the low grades.

Com'r Fifer: Is it because they use a lower-grade lumber in the West?

Mr. Evans: They use lower grades. That is my understanding.

Com'r Prouty: About how heavy is the average load of
139 lumber to a car?

Mr. Evans: I suppose our shipments will average about forty to forty-five thousand pounds. To explain that, we ship about half in box cars and half on flat cars. All our stock is dressed, even the heavy timbers. We fill a box car full and get something like thirty or forty thousand pounds in it. On a flat car we sometimes load up to one hundred thousand pounds.

Com'r Prouty: Do you load box cars to their full capacity?

Mr. Evans: We load them full.

Com'r Prouty: After they are loaded full, will they weigh up to the capacity of the car?

Mr. Evans: A forty-thousand-pound car will, but an eighty-thousand-pound car will not.

Com'r Fifer: Do you make any complaint as to the increased minimum?

Mr. Evans: Yes, sir. I say it is really against us, but we have made no complaint against it.

Com'r Fifer: You find no difficulty in loading to the minimum?

Mr. Evans: Not a bit. We sometimes have an order that
140 does not require that much.

Com'r Prouty: As a general rule, you put into the car all it will hold?

Mr. Evans: Yes, sir.

Com'r Prouty: How small a tree do you cut now?

Mr. Evans: Practically all on the ground—small ones and all.

Com'r Prouty: When you began fifteen years ago, how was it?

Mr. Evans: We cut big trees only.

Com'r Prouty: How long since you began to cut everything?

Mr. Evans: About two years ago.

Com'r Prouty: If this rate continues in effect, will you continue to cut everything?

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Mr. Evans: If we can find a market. That is a question before
s now. I would like to explain that we were burned out about
hree years ago and in equipping our plant we equipped especially
o take care of these small trees. We put in a mill at an expense of
$100,000—the plant without the logging road. We had a lot of land
cut over and we hope to cut a lot of that that we were not
141 able to cut over the first time. Our contract takes in that
territory and we want to get all we can out of it.

Com'r Prouty: Won't it pay you to let them all grow up?

Mr. Evans: At the present time it will not.

Com'r Clements: You sell at the mills generally at the price
here, exclusive of the freight? The freight is generally paid by
he consignee?

Mr. Evans: Yes, sir; it is deducted from the amount. We ship
t the delivered price.

Com'r Clements: You do not ask any more; that is, the price is
ot changed from what it was before the rate was changed?

Mr. Evans: We are not taking any business from that territory.

Com'r Clements: Did you raise the price at the mill?

Mr. Evans: We raised it delivered. It is the same price at the
ill, but we added the difference in rate.

Com'r Fifer: Might it not be true that the demand for this lum-
er might have prevented your doing business in the western
narket?

Mr. Evans: No, sir; we stacked up in our sheds about a
142 million feet before we commenced to handle it in the open
market.

Com'r Fifer: You think you have been excluded from the west-
rn markets solely on account of the increased rate?

Mr. Evans: I am not able to answer that. I do not know whether
here has been a lessening of the demand or not, but we have not
een able to get into that market since the increase.

Com'r Fifer: All you know is that you cannot sell in that mar-
et?

Mr. Evans: Yes, sir.

Com'r Prouty: How much does it cost you to cut your logs?

Mr. Evans: Really I do not hardly know.

Com'r Prouty: Have you an idea how much it costs you to manu-
acture your lumber and put it on the cars?

Mr. Evans: At the mill?

Com'r Prouty: Yes, sir.

Mr. Evans: About a dollar, that is, taking it out, working it up
nd delivering it on the car.

Mr. Wimbish: You spoke of the increased movement in May and
June of this year just preceding this advance. Will you state
143 whether that was due in any degree to the fact that the rail-
roads furnished you equipment then that you could not get
fore?

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Mr. Evans: Yes, sir.

Mr. Wimbish: Would there have been that apparent increase for those months if you could have had the facilities prior to that?

Mr. Evans: We were making efforts to deliver those orders that were effected and I am not in position to say whether it would have gone out. We were handicapped for cars all the time. We got more just at that time than we had been getting previously.

Mr. Wimbish: You had the orders prior to that?

Mr. Evans: Yes, sir; we had them six months prior to that.

Mr. Wimbish: Before this increased rate was proposed?

Mr. Evans: Yes, sir.

Mr. Wimbish: Will you hand the stenographer the papers you read from to be incorporated in your evidence?

Mr. Evans: Yes, sir.

(Papers handed to stenographer.)

The Chairman: Is there anything else on the statement
144 besides what he has testified to? If there is not we need not incumber the record with it.

Mr. Wimbish: No, sir.

Com'r Clements: Is the shipper at any expense in securing a load except on flat cars?

Mr. Evans: No, sir.

Com'r Clements: There is no expense when he ships in box cars?

Mr. Evans: No, sir.

Com'r Clements: How is it moved generally—in flat cars?

Mr. Evans: All heavy stuff is put on flat cars, like flooring and ceiling. Our shipments are largely in box cars.

Com'r Clements: Your shipments to the West, how were they generally moved when they did move?

Mr. Evans: Most of ours were in box cars, but as a rule it is on flat cars.

Mr. Kaye: Is it true that you prefer to move it on flat cars, rather than in boxes? You would rather load a flat car than a box
145 car, even if you furnished the standards? Is it more expensive loading the flat cars?

Mr. Evans: It is less trouble to load them.

Mr. Kaye: There is less time consumed?

Mr. Evans: Yes, sir.

Mr. Kaye: And less work for your employees?

Mr. Evans: Yes, sir; but it costs a great deal more.

Mr. Kaye: That is because of the class of stuff?

Mr. Evans: No, sir.

Mr. Kaye: Is it not true that just before the increased rate went into effect the railroads did furnish you ample cars to move to the West all your accumulated orders?

Mr. Evans: Yes, sir.

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Mr. Kaye: Is not the trouble about your selling stuff in the West that there is no market and no inquiry and that there is a difference of two cents per hundred pounds?

Mr. Evans: I cannot say.

Mr. Kaye: Don't you know there have been practically no inquiries of late from western purchasers for the class of stuff that you formerly shipped and that the difficulty has not arisen over the question of rates, but over the demand?

Mr. Evans: I do not know what it is that occasioned it.

146 Mr. Kaye: Don't you know that you have not had the orders or inquiries that you formerly had?

Mr. Evans: No, sir; we have not had as many.

Mr. Kaye: Have you not had a great deal less?

Mr. Evans: Of late; yes, sir.

Mr. Kaye: Is it not true that yourself and other millmen have been accumulating stocks of lumber and western purchasers have been accumulating large stocks and both shipper and buyer have been awaiting the question of the increased rate?

Mr. Evans: We are shipping everything we are making now.

Mr. Baxter: Mr. Evans, you have furnished two statements here, showing the number of cars shipped from your mill to western points during the months of July, August and September, 1902, and during the same months for 1903. Now, will you kindly furnish us similar information for the same months for as many years back as your books will show?

Mr. Evans: To western points?

Mr. Baxter: Yes, sir.

147 Mr. Evans: I think we can give it to you—I cannot say exactly how far back.

Mr. Baxter: Well, as far back as you can.

Mr. Evans: Yes, sir; we will do that.

Mr. Baxter: For the same months—July, August and September as far back as you can—the number of cars shipped to western points.

Mr. Evans: And the destinations too.

Mr. Baxter: I do not care for that. The number of cars shipped to western points.

The Chairman: During each of those months for each year?

Mr. Baxter: Yes, sir.

The Chairman: You can get that information readily, Mr. Evans, can you not?

Mr. Evans: Yes, sir.

The Chairman: I understood Mr. Evans to say that he has been in business fifteen years. Do you want to go back that far?

Mr. Baxter: No, sir; I would like to go back to 1891.

The Chairman: Then, you will undertake, Mr. Evans, to furnish

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a statement of the number of car-loads of lumber shipped to
148 these western points in the months of July, August and September for each year since 1891?

Mr. Evans: As far back as I can up to that time. I may not be able to give more than four or five years. I will go as far as I can.

The Chairman: What information you can get, you can get readily?

Mr. Evans: Yes, sir.

The Chairman: That you will undertake to do?

Mr. Evans: Yes, sir.

The Chairman: Is there anything further to be asked Mr. Evans? If not, he will be excused.

The witness was excused.

Mr. Wimbish: As to these statements, we are willing that they be summarized by the reporter or that they go into the record as they are.

The Chairman: What statements do you refer to—the ones he produced?

Mr. Wimbish: Yes, sir.

The Chairman: You have shown them to Mr. Baxter?

Mr. Wimbish: Yes, sir.

The Chairman: Is there any objection to their going in,
149 Mr. Baxter?

Mr. Baxter: No objection from our standpoint, but it will add to the length of the transcript. They go into detail.

The Chairman: Why cannot the information which he says he will furnish and this, which is of the same character, all be put into a simple single statement?

Mr. Baxter: It could be done on a single page.

The Chairman: Yes, and it would greatly simplify the record.

(The statement referred to is hereto annexed and marked "Exhibit No. 1 to Mr. Evans' testimony.")

(Exhibit No. 1 to Mr. Evans' testimony not furnished.)

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150 J. S. GORDON,

a witness on behalf of the complainants, having been duly sworn, testified as follows:

Mr. Boatright: Mr. Gordon, please state to the Commission your occupation and place of business?

Mr. Gordon: Southern manager of the Herman H. Hetler Lumber Company of Chicago, with office at Tifton, Georgia.

Mr. Boatright: In what business are your principals engaged?

Mr. Gordon: The department with which I am connected is the wholesale handling of yellow-pine lumber.

Mr. Boatright: How does your handling of yellow-pine lumber during the period since the recent increase of rates compare with a similar period last year? Has your business increased or decreased?

Mr. Gordon: We have increased our business over a corresponding period last year over fifty per cent.—the total volume of the business. In explanation of that, however, I will state that there were changes made in the firm effective July 1st and with the idea in view of increasing the volume of business, but our head
151 offices, located at Chicago, were naturally and primarily western shippers. Last year and heretofore I noticed in going over the books, about eighty-five or ninety per cent. of our shipments, after eliminating all neutral business, that is, shipments to points south of the Ohio and Potomac rivers and coastwise business—about eighty-five per cent. of that would move through western gateways and the other fifteen per cent. through eastern gateways.

Mr. Boatright: That is to territory north of the Potomac and Ohio rivers?

Mr. Gordon: Eighty-five per cent. would move through western gateways and the balance through eastern gateways. This year for July, August and September the shipments through western gateways to western points have fallen off forty per cent. Last year those shipments were eighty-six per cent. of our total shipments and this year they are about forty-six or forty-seven per cent.

Mr. Boatright: That notwithstanding your business on the whole has increased fifty per cent.?

Mr. Gordon: We have increased our all-rail business fifty per cent. We handle four times more lumber now through eastern gateways than formerly.

152 Mr. Boatright: Why is that?

Mr. Gordon: In the first place it seems that we cannot get the western business. The western business we consider more desira-

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ble business. It comes in greater volume and the orders we get from western people are more desirable to the millmen on account of using a class of timber which we otherwise cannot get orders for, and it comes in greater volume. The eastern man wants a merchantable stuff. The eastern man is in the market and the lumber goes coastwise. As a rule the business we get from eastern markets is in small jags, costing more for solicitation and also costing more because handled in small quantities.

Mr. Boatright: Have you since the increase of rates made as much effort to secure western business as formerly?

Mr. Gordon: We have made more effort.

Mr. Boatright: And with practically no success?

Mr. Gordon: Our western business used to amount to eighty-five or ninety per cent. Today it is about fifty.

Mr. Boatright: To what do you attribute that?

Mr. Gordon: It seems to me it is due to a great extent to freight rates, because we notice that a lot of business we make bids
153 on, they advise us that it has gone to Mississippi at $1.00 or $1.50 less than we can figure on furnishing it for from this territory. For instance, a man submitted a proposition the other day on some merchantable sales and it went to Mississippi at $2.00 a thousand less than our bid was. They can make a delivered price. From Mississippi the rate to Chicago is 26 cents. As I understand it, practically all the mills are on the main line, while here the majority of the mills pay two rates, making a difference of about $1.00 a thousand on green lumber, which is practically what we handle.

Com'r Prouty: What is your Chicago rate?

Mr. Gordon: The Chicago rate from this territory is 27 cents. Theirs is 26 cents.

Com'r Prouty: How long has their rate been one cent less?

Mr. Gordon: Ever since I have been in the lumber business.

Com'r Prouty: You have been able to compete with them in the past?

Mr. Gordon: I went with these people on the 1st of February. I was connected with a car company previously.

154 Com'r Prouty: You say that last year your shipments were eighty-five or ninety per cent. through western gateways and that this year they are forty-six or forty-seven per cent.

Mr. Gordon: Yes, sir.

Com'r Prouty: The Mississippi rate was one cent better than yours a year ago and is only that much better now. How does the advance of rate account for the fact that you have greater difficulty now in competing with them?

Mr. Gordon: You take it when the demand for lumber is brisk in one territory, and Mississippi, perhaps, was not able to handle all of the business, and Georgia came in for a good share of the western business; but when the demand slacks off and Mississippi can handle it

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all, they can naturally handle it with the difference in the freight rate for that much less. That is the way it looks to me.

Com'r Prouty: Then, the trouble is the slackening in the demand for lumber?

Mr. Gordon: We think if we had the same rate as Mississippi, even when times are not as brisk as they have been we could compete with the Mississippi mills.

Com'r Prouty: Do you think the advance in rate both from Mississippi and from this section down here has had to do with the decreased demand for lumber?

Mr. Gordon: Well, an opinion on that would be simply conjecture. You could not verify it. To give an illustration, we have certain customers whom we furnish a great deal of lumber, and it is a sort of fixed schedule. The schedule of prices is mutually agreed upon. They were not car companies; they were railroad companies. We tried to get them to advance the price of lumber $1.00 a thousand, which they positively refused to do. We are wholesalers, understand—in other words middlemen. It is necessary for us to endeavor to get the mills to reduce their price to us $1.00 a thousand to cover the difference.

Com'r Prouty: The Mississippi man had to do the same thing?

Mr. Gordon: Yes, sir; the Mississippi man had to do the same thing but the way it looks to me is this: If there is a bigger demand for lumber, if the demand is greater than the sapply, those differences in freight rates are not noticed, but when business gets down to normal conditions, then they are. Then it is difficult for the territory laboring under the greater freight rate to do business; consequently they have to reduce their price on that lumber.

Com'r Prouty: Do you have any tap-line divisions?

Mr. Gordon: We do not control any mills. We are wholesalers and we simply stand between the mill and the consumer.

Mr. Boatright: Would or would not the increase in rate cause a decrease in demand?

Mr. Gordon: Well, as I said before, any opinion on that would be simply conjecture. One man might say it would and another might say it would not.

Com'r Prouty: It would either increase the price to the consumer or decrease the price to the millman?

Mr. Gordon: Or decrease the price to the millman.

Mr. Boatright: Do you or not come into competition in the western territory with other woods than yellow pine?

Mr. Gordon: Yes, sir; we do; for instance, on car decking they use Norway pine. When I was connected with the car company if the price of yellow pine got too high, we used Norway.

Mr. Boatright: Can you say whether or not under the present rates the demand in that section is being supplied by other woods in lieu of yellow pine?

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Mr. Gordon: Well, I could not answer that definitely. I know some roads—I was talking with a purchaser about a month ago, and they are using what they call Oregon fir for the intermediate sills of freight cars instead of yellow pine. They use yellow pine for the center sills.

Mr. Boatright: Has that condition come about since the increase of the rate or before?

Mr. Gordon: I could not say as to that. I guess it took effect some time before. They can get Oregon fir in competition with yellow pine.

Mr. Boatright: What can you say as to the difference in rates on lumber to this common territory between points in the State of Georgia and points in the State of Mississippi, as to the groupings along with that?

Mr. Gordon: I am not sure that I understand the question.

Mr. Boatright: Can you say whether or not all the Mississippi territory or practically all of it that produces yellow pine is in one group and takes one rate to this territory?

158 Mr. Gordon: I could not say authoritatively. It is my understanding that practically all the mills over there take a Group 1 rate.

Mr. Boatright: Do you know how many groups there are in Georgia and what the variations are in the rates between them?

Mr. Gordon: It is practically two groups in Georgia—Group 1 and Group 2, with a difference of one cent.

Mr. Boatright: To what road's groupings do you refer?

Mr. Gordon: Well, for instance, take the G. S. & F. main line from Valdosta to Macon, that takes Group 1, in other words, a 27-cent rate to Chicago.

Mr. Boatright: Has the G. S. & F. a Group 2 below there?

Mr. Gordon: Yes, sir; below Valdosta it takes Group 2.

Mr. Boatright: What other groups has the G. S. & F.? Has not it another main-line group?

Mr. Gordon: Not to my personal knowledge. South of Valdosta it takes Group 2 rate.

Mr. Boatright: Can you state how the prices of lumber this

159 year compare with the same periods last year—the periods you gave?

Mr. Gordon: I have not compiled any statistics, but in an off-hand way, from daily handling the lumber, our price for lumber—we are paying the mills and receiving, say from one to two dollars a thousand less for lumber than a year ago.

Mr. Boatright: Take the witness.

Cross-examination:

Mr. Kaye: At the same price, which would the western markets prefer, the Mississippi or Georgia pine?

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Mr. Gordon: I do not think they have any preference. You can ship two car-loads up there and not tell them which place it came from and I do not suppose that one man in a thousand could tell where it came from.

Mr. Kaye: What is the weight of a thousand feet of Georgia pine?

Mr. Gordon: Rough lumber, about forty-five hundred pounds.

Mr. Kaye: You said just now that in Mississippi you had
160 found that those people could get $1.50 more for lumber than the Georgia people?

Mr. Gordon: I said they could?

Mr. Kaye: That an order had gone to them at $1.50 higher than to Georgia?

Mr. Gordon: What I mean is that lumber has gone to Mississippi at a dollar—the wholesaler makes a delivered price—he figures the freights and consequently if he is paying his mills there a certain price and adding his freights, and we have to pay mills in this territory a certain price and add freights—if he gets in on 26 cents and we pay 28 cents our price will be a dollar a thousand more.

Mr. Kaye: Where the price is only one cent a hundred difference?

Mr. Gordon: That amounts to about fifty cents.

Mr. Kaye: That is all the difference there is at present, is it not?

Mr. Gordon: Between Mississippi and Georgia?

Mr. Kaye: The Tifton group?

Mr. Gordon: The Tifton group, fifty cents.

Mr. Kaye: How did that difference of one dollar a thousand arise?

161 Mr. Gordon: Simply as stated before, that mills we are buying lumber from in Georgia are taking, practically all of them the Group 2 rate and I have always understood that practically all the mills in Mississippi take what we would call in this territory a main-line or Group 1 rate, taking a twenty-six-cent rate while they are taking a twenty-eight-cent rate from this territory.

Mr. Kaye: Do you know the rate from Tifton to Chicago?

Mr. Gordon: Twenty-seven cents.

Mr. Kaye: What is the rate from the Mississippi point to Chicago?

Mr. Gordon: I have always understood that the rate was twenty-six cents.

Mr. Kaye: That would make on forty-five hundred pounds a difference of forty-five cents?

Mr. Gordon: Yes, sir; practically fifty cents.

Mr. Kaye: Where did the difference of one dollar come in? Was there some other element?

Mr. Gordon: As I say, we are not buying our lumber on a Group 1 rate in this territory. We are buying it on a Group 2 rate. Take it from Moultrie. Moultrie takes a twenty-eight-cent rate to
162 Chicago, a difference of two cents, or practically ninety cents or a dollar a thousand.

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Mr. Kaye: Is there as strong a demand in the West now for this lumber as there was a year ago?

Mr. Gordon: I do not think it is as strong.

Mr. Kaye: Or three months ago?

Mr. Gordon: I do not think the demand is as strong as it was three months ago.

Mr. Kaye: Is it not true that the car works were pretty well stocked up before the increase went into effect and that they have a large accumulation of stuff on hand?

Mr. Gordon: No, the car companies as a rule carry very little stock. They buy from hand to mouth. They do not carry any stock.

Mr. Kaye: Is it not true that their orders have been pretty well filled and that they have no more work to do, that they are drifting along?

Mr. Gordon: I understand the railroad companies are not buying as many cars.

Mr. Kaye: Which necessarily affects the main supply of the railroads, the car works. That reduces their demands, the demands of the car works?

Mr. Gordon: Yes, sir.

163 Mr. Kaye: Is not eighty per cent. of this Georgia low-grade stuff consumed by the car works of the West?

Mr. Gordon: I hardly think it amounts to that much. I have never seen any statistics on it. They use a great deal of it.

Mr. Kaye: These figures you have given the Commission are hearsay on your part, are they not, matters you have been told about by employees of your firm?

Mr. Gordon: Oh, no. I work them up myself. They are absolutely correct.

Com'r Prouty: What points do you reach through eastern gateways?

Mr. Gordon: We ship to Altoona, to the Pennsylvania railroad and to Buffalo and to Baltimore.

Com'r Prouty: Nothing west of Pittsburg?

Mr. Gordon: No, sir.

Com'r Prouty: Through western gateways you reach points west of Pittsburg?

Mr. Gordon: West of Pittsburg.

Com'r Clements: You say that shipments via Ohio River crossings have dropped from eighty-five per cent. to forty-seven per cent.?

164 Mr. Gordon: Yes, sir.

Com'r Clements: And have increased about four hundred per cent. by the eastern gateways?

Mr. Gordon: Yes, sir.

Com'r Clements: These eastern gateways do not reach the same territory that you formerly reached by the Ohio River gateways?

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Mr. Gordon: No, they do not reach the same territory.

Com'r Clements: Your business has increased fifty per cent.?

Mr. Gordon: Our all-rail shipments have increased fifty per cent. This statement does not include neutral shipments, that is, to points south of Ohio and Potomac River crossings, and coastwise business. It is simply all-rail yellow-pine shipments through eastern and western gateways.

Com'r Prouty: You are driving somebody else out of the eastern market? Who is that?

Mr. Gordon: I do not think we are driving anybody out at all. We have gone there in self-defense, we had to do something.

Com'r Prouty: Are they consuming any more lumber than they were a year ago?

Mr. Gordon: I do not think so. Certainly we are getting this business in competition with other people.

Com'r Prouty: Where have they obtained their lumber from formerly—from the South?

Mr. Gordon: Oh, yes; from the South.

Com'r Prouty: And from this same territory in which you operate so that the increase of your individual shipments does not indicate an increase of shipments generally?

Mr. Gordon: Oh, no. We have gone after business and tried to increase the volume of our business.

Com'r Clements: What road do you ship by, all-rail East?

Mr. Gordon: Well, by the Norfolk & Western—a good bit goes by the Norfolk & Western.

Com'r Clements: Do you pay the published rate all the time?

Mr. Gordon: All the time.

Com'r Clements: No concessions?

Mr. Gordon: No concessions.

Com'r Fifer: Has the demand for lumber declined the last few months?

Mr. Gordon: It certainly has. To the best of my knowledge it has fallen off.

Com'r Fifer: Can you tell about to what extent?

Mr. Gordon: No, I could not tell to what extent; I could not give any figures on that.

Com'r Fifer: That would account in a measure for the decline in your business out there?

Mr. Gordon: Yes, sir.

Com'r Fifer: It went down to a point where the inequality in the rate between this section and Mississippi had its effect?

Mr. Gordon: Yes, sir; that is the way the situation appeals to me.

Com'r Fifer: There has also been a decline in the demand for lumber in the western markets?

Mr. Gordon: If the demand for lumber in the West is greater

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than Mississippi, Texas and Louisiana can supply, it is not then a question of price. Georgia can get the business. But when the business gets down to a normal basis, that is when the difference in freight rate is naturally felt.

The Chairman: Any further questions?

Mr. Boatright: Mr. Gordon, what can you say as to the number of saw-mills located in Groups 1 and 2, respectively? In other words, do you figure on a one cent difference in buying, or two cents, or possibly more?

Mr. Gordon: Well, in buying we always take that into consideration. That is, if we buy our lumber from a mill in Group 1, we can pay that man 50 cents a thousand more for his lumber than the man in Group 2.

Mr. Boatright: What have you to say as to the output of lumber from Groups 1 and 2 respectively—what would be your estimate of it?

Mr. Gordon: I never figured that up.

168 Mr. Boatright: Would you say there are as many mills in Group 2 as in Group 1?

Mr. Gordon: Yes, sir; I would say there are more in Group 2 than in Group 1, off-hand. I never figured it up.

Mr. Boatright: That is all.

Cross-examination:

Mr. Kaye: Where does Group 1 end?

Mr. Gordon: On the G. S. & F. railroad.

Mr. Kaye: What is the southern boundary of Group 1?

Mr. Gordon: Valdosta.

Mr. Kaye: How about Moultrie?

Mr. Gordon: That is in Group 2.

Mr. Kaye: Moultrie is north of Valdosta, is it not?

Mr. Gordon: Geographically I think it is north of Valdosta.

Mr. Kaye: And yet it is in Group 2 and Valdosta is in Group 1?

Mr. Gordon: The reason for that is that Valdosta is on the G. S. & F. and Moultrie is on a tributary line. All points out from Tifton on the T. T. & G. except Tifton take the Group 2 rate.

169 Mr. Kaye: That is because it is a local point? A mill located at a competitive point would be in Group 1.

Mr. Gordon: A competitive point where it is not in competition with a division taking Group 1, of course would take a Group 1 rate. Moultrie is a competitive point with the Georgia & Northern railway, but that is a tributary line and competition there does not affect the rate. Moultrie still takes Group 2.

Mr. Baxter: You have filed a statement here, Mr. Gordon, showing the movement of lumber by your company in feet; first, the movement; second, the movement through eastern gateways; and

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third, the movement through western gateways for July, August and September for the years 1902 and 1903. Will you file as an exhibit to your testimony a statement showing the same facts with reference to the same months for the years preceding 1902 as far back as you have the statistics available?

Mr. Gordon: I will be glad to do it.

The Chairman: Perhaps Mr. Gordon will be glad to put it all into one statement, going back as far as he can and just make one simple table of it.

Mr. Gordon: Yes, sir.

179 The Chairman: And file it with the Commission as one exhibit.

Mr. Gordon: Yes, sir.

(The same is hereto annexed and marked "Exhibit No. 1 to Mr. Gordon's testimony.")

Mr. Baxter: And for the purpose of comparison with other witnesses, it would help us if he put it in car loads.

Mr. Gordon: The reason I show it in feet is, that it is more accurate. You do not know how much is loaded in a car. It may be 8,000 feet of green stuff, or 18,000 feet of dressed stuff. Approximately a car-load will run about 12,000 feet the year through. It averages that. Sometimes we have 8,000 feet in a car and sometimes 20,000.

Mr. Baxter: I would like to have it all in feet or all in car-loads.

Mr. Gordon: If you wish the statement prepared in car-loads, I will prepare it that way.

Com'r Clements: After you get the aggregate in feet you can soon get the average in car-loads.

Mr. Baxter: Would it give you too much trouble to give us the prices of that lumber at the mills?

171 Mr. Gordon: I think it would. That would be considerable work.

Mr. Baxter: Can you estimate what it would cost us to have that done?

Mr. Gordon: In round numbers I should say our price at the mill is between eleven and twelve dollars a thousand.

Mr. Baxter: We wanted it for the different months in those different years.

Mr. Gordon: It would be a pretty big job and would require additional help. We could not do it with our present force.

Mr. Baxter: How much additional help would it require?

Mr. Gordon: We probably would have to put one extra man on it. It would take a good clerk, I should say, two or three weeks.

Com'r Clements: Could not that be approximated by looking at some shipments along through the months without making a clean sweep.

Mr. Baxter: It is only three months anyhow.

Com'r Clements: I mean without taking all of them—would it not do to give some of them?

172 Mr. Baxter: Certainly to give the average for those 3 months would do.

Com'r Prouty: You say you obtain from one dollar to two dollars less than you did a year ago?

Mr. Gordon: Yes, sir.

Com'r Prouty: You are working on the same commission?

Mr. Gordon: Yes, sir; the same commission. We necessarily had to, because the mills would not accept a lower price, and we had to figure on the same commission.

The Chairman: Any further questions to be asked Mr. Gordon? If not, he will be excused.

The witness was excused.

The Chairman: Is it fair to assume for all the purposes of this case that a difference of a cent in the freight rate was equivalent to 50 cents on the lumber?

Mr. Kaye: No, sir; we contend that a fair average would be 35 cents.

The Chairman: You think 50 cents is too much.

Mr. Wimbish: Our contention is that 50 cents is the minimum. It goes as high as 90 cents a thousand.

173 The Chairman: You have not gone very particularly into the question of the weight of green and dry lumber. If I recollect correctly, you asked that question of one witness.

Mr. Wimbish: We will bring that out later. I understood the witness to say 4500 pounds to the thousand.

Com'r Prouty: One witness said 4 pounds to the foot, and another 4500 pounds to the thousand. Mr. Evans said that nearly all his lumber is shipped dry.

Mr. Wimbish: We will bring that out.

Mr. Kaye: We will make that clear during the proceedings.

(Exhibit No. 1 to Mr. Gordon's testimony not furnished.)

OPY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

174 WILLIAM B. STILLWELL,

a witness on behalf of the complainants, having been duly sworn, testified as follows:

Mr. Boatright: Mr. Stillwell, will you please state your position in the Georgia Saw Mill Association.

Mr. Stillwell: I am vice-president of the Georgia Saw Mill Association.

Mr. Boatright: You may state something of the organization and objects of that association.

Mr. Stillwell: The association was formed for the dissemination of knowledge regarding prices by what we style our price lists, which were a consensus of opinion of the members present at any meeting as to what the current prices were or should be. Further than that it was for the purpose of producing uniformity in the customs and usages of the trade, to settle differences among ourselves, reform abuses, foster and encourage trade and protect ourselves from unjust and unlawful exactions. One of the principal objects of the association was to adopt and promote the uniform classification of lumber and gauges, or sizes of lumber.

175 Mr. Boatright: About how many mills are members of the association?

Mr. Stillwell: About 140 to 145.

Mr. Boatright: Will you say about how many of those are in Georgia?

Mr. Stillwell: I should say about 80, probably more—about 90.

Mr. Boatright: About how many mills are there in Georgia that are not members of this association?

Mr. Stillwell: I should say there are over a hundred—probably two hundred that are not members in what we call the yellow-pine district. There are a great many more mills than that, but in the yellow-pine manufacturing region there are perhaps 200 that do not belong to the saw-mill association.

Mr. Boatright: In what business are you engaged and where?

Mr. Stillwell: I am engaged in the manufacturing and also in the wholesaling of lumber at Savannah, Georgia. We also ship through Brunswick, Fernandina and Jacksonville.

Mr. Boatright: To what territory mainly do your shipments move?

Mr. Stillwell: Exclusively to the seaboard—eastward and 176 to foreign ports.

Mr. Boatright: Can you state about what per cent. of the output of Georgia mills would normally move to western territory as defined in this case, east of the Mississippi and north of the Ohio?

Mr. Stillwell: I have never figured on that accurately, but offhand I would estimate it at 25 to 50 per cent., possibly more than that.

Mr. Boatright: You stated that practically all of your business moves coastwise?

Mr. Stillwell: Yes, sir.

Mr. Boatright: What interest, then, have you in this litigation?

Mr. Stillwell: I was, I expect, among the foremost in the fight when it started, because I saw before me a complete demoralization. There was about as even a balance of trade before as I have seen in about 37 years. Business was evenly balanced by conferences with the railroads. We got prices on which we could deal in competition with our competitors. There were certain of our mills that sold that lumber in this western and interior territory. The balance went

177 to the coast, and, as I state, that business was as well balanced as I ever saw it in 37 years, when this 2 cents was put on. After my long experience, I saw nothing before us but demoralization and I waded right into the fight to avoid that if possible. We begged and pleaded with the railroads and tried to state to them what the effect of this would be. We pleaded with them against putting in this rate in order to avoid demoralization. The demoralization, as we predicted, has come about. Our coastwise prices have all gone off, and our friend just testified that he shipped lumber to the East at three dollars less than to the West. Why? Because he could not longer ship to the West. Another testified that about 46 per cent. of his shipments had been transferred to the East and that in his opinion——

Mr. Kaye: Is this the argument of the case?

Mr. Stillwell: They have reduced the coastwise price, I estimate, $1.50 a thousand. We cannot attribute it to any other cause than the advance in freights.

Com'r Prouty: The testimony is that the grade of lumber that has gone to the West does not go to the coast at all.

Mr. Stillwell: That is true to a great extent, but there has

178 been a little of that stuff worked in on the eastern coast the last six months; and it is also true that the mills can make a certain percentage of high-grade lumber for the coast by cutting what they call sound and square-edge down to merchantable. In other words, they take a sound and square sill, which they sell in the interior and they get an extra board off of that and make it merchantable and put it into the eastern markets and compete with us for that trade, to the extent that the prices have been demoralized and beaten down.

Mr. Boatright: The equalization you referred to a while ago, you meant that that was an equalization between the eastern and western markets.

Mr. Stillwell: Yes, sir; and between other territories. I mean to

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ake in the whole situation—Arkansas, Mississippi and our territory shipping into the interior and the various territories shipping foreign or coastwise. I do not think there ever existed a more evenly balanced business than it was six months ago.

Mr. Boatright: What can you say in reference to the loading and unloading of cars by the shippers and as to the quantity loaded as compared with the capacity of the cars?

Mr. Stillwell: All cars are loaded and unloaded by the shippers of lumbers with the exception of box cars and some classes of lumbers on the flat cars. They are loaded, I think above the average of other commodities. In other words, I think the lumbermen fairly load the lumber to its capacity. The railroads have put in some flat cars of eighty and one hundred thousand pounds capacity, which they must have known—if they did not before, they do by experience—that it is impossible to get the maximum on. It is done occasionally. If you get an order the exact length of the car and pile it on very high, you can occasionally get the maximum capacity. I do not think those cars of eighty or one hundred thousand pounds capacity were ever intended primarily for the lumber business.

Com'r Prouty: What is the heaviest load you can put on a 36 foot car?

Mr. Stillwell: If you had exactly 36-foot lumber, I think it could be loaded to eighty thousand pounds.

Com'r Prouty: What ordinarily would your lumber run?

Mr. Stillwell: I think in the neighborhood of forty-five thousand pounds.

Com'r Clements: Is that dry or green.

Mr. Stillwell: That is green. The dry lumber, the bulk would be so much, you could hardly get the weight on, but green lumber, you could get as much as eighty thousand pounds.

Com'r Prouty: About how heavy a load of dry lumber do you ordinarily put into a car?

Mr. Stillwell: Our experience, particularly recently has not been very great on that, but I think they run from thirty to forty thousand pounds.

Com'r Prouty: Do you have any difficulty in loading the minimum?

Mr. Stillwell: Well, occasionally, yes, sir. If the car is a small one, it is difficult. You might fill a box car and fall a little short of thirty thousand pounds. Where the difficulty comes in, as I understand, and particularly as to western shipments where it bears more heavily is where they deliver you cars too short to ship your lumber and then make you lap it. Then they put in an idler and you have to pay on that. Then, you have to pay freight on ten to fifteen hundred pounds on which you get no return. If you had a car the exact length you could load to capacity.

181 Com'r Prouty: You said that before these rates were advanced you thought there was a general equilibrium?

Mr. Stillwell: Yes, sir.

Com'r Prouty: Do you understand that the rate from Mississippi was a cent lower than from Georgia?

Mr. Stillwell: Yes, sir.

Com'r Prouty: You do not think that that had anything to do with the equilibrium?

Mr. Stillwell: I think it had reached the limit, that it required a feather to break the camel's back.

Com'r Prouty: They seem to have put a feather on each camel's back.

Mr. Stillwell: We had reached the limit in the price of our lumber in competition with other woods.

Com'r Prouty: They were making a little more money?

Mr. Stillwell: No, I mean other woods—Norway, spruce, hemlock and other woods.

Com'r Prouty: Where does the Norway pine come from?

Mr. Stillwell: From the Northwest. Then, the fir is competing with us.

Com'r Clements: Where do you mean by the "Northwest"?

Mr. Stillwell: Michigan and that section.

182 Mr. Boatright: What can you say in reference to the requirements in loading flat cars with lumber?

Mr. Stillwell: They are extremely rigid. They require the best lumber made; straight grain, free of knots, stipulated sizes, and stipulations as to the way they shall fit, which requires an expert to fit the cars up, and it makes it quite expensive. Roughly I estimate that including the labor and nails it is necessary to put in, the cost ranges from three to four dollars a car in addition to the freight.

Mr. Boatright: About what is the weight of such equipment?

Mr. Stillwell: It will range from seven hundred to a thousand pounds according to the style of lumber, etc.

Mr. Boatright: Now, in regard to the rate question, what is the difference in rates between Georgia territory and Mississippi?

Mr. Stillwell: I understand and gather from an occasional examination of the tariffs that in certain sections the general difference is one cent, but in certain other sections where we have the auxiliary lines, it ranges up as much as four or five cents.

Mr. Boatright: The Southern railway makes certain groups. Can you state whether or not any lumber moves from these di-

183 visions as I will call them, and if so, in what relative quantities, that is, relative to the territory from which lumber does actually move.

Southern Railway stations: Atlanta division: Atlanta, Ga., to Virgin, Ga., inclusive; Fort Valley branch; Attalla branch; Phelps, Ga., to Berwin, Ga., inclusive: Lindale, Ga., to Howell, Ga., inclusive;

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Columbus division; McDonough, Ga., to Gentian, Ga., inclusive: Birmingham division: Six Mile, Ga., to Anniston, Ala., inclusive; Wilton, Ala., to Birmingham, Ala., inclusive; Blocton branch; Birmingham, Ala., to Austell, Ga., inclusive; Bessemer branch: Mobile division; Silver Run, Ala., to Selma, Ala., inclusive: Akron branch.

Alabama Great Southern Railway stations: Morganville, Ga., to Hixon, Ala., inclusive; Woodlawn, Ala., to Bessemer, Ala., inclusive; Blocton, Ala., to Woodstock, Ala., inclusive.

Central of Georgia Railway stations: Columbus & Western—Aubrey, Ala., to Childersburg, Ala., inclusive; Columbus & Rome—Nankipoo, Ga., to Greenville, Ga., inclusive; Atlanta division—Summerfield, Ga., to Thomaston, Ga. inclusive; S. G. & N. A.—Bridges, Ga., to Clem, Ga., inclusive.

East & west railroad stations: Cartersville, Ga., to Coal City, Ala., inclusive.

154 In so far as those roads, or sections of roads, are in Georgia, what can you state as to the movement of lumber?

Mr. Stillwell: I should say, so far as Georgia is concerned, it would be an extremely small per cent. There is very little pine comes out of there except from a section a little south of Rome. I think there is a little. As to the other sections there is very little. The Alabama districts I am not so well acquainted with. Judging from the country and the lay of the yellow-pine district, I judge it would be small out of that territory, but it would be a very small per cent. out of the Georgia territory.

Mr. Boatright: The Commission will pardon me for reading in my last question from the tariff. This is Southern Railway lumber tariff No. 6, the one now in effect.

The Chairman: It occurs to me that the witness might state it as a fact that he is familiar with those groupings. Then, he can give his estimate from each group without encumbering the record with such a lengthy question.

Mr. Boatright: Very well. Are you familiar, Mr. Stillwell, with the lines placed in Group 2 of the Southern railway.

155 Mr. Stillwell: I cannot without refreshing my memory say that I am, because we have been in that western business so little lately that I have not kept up with it. We gave it up several years ago for various reasons. Your last question was as to Group 2?

Mr. Boatright: As to Group 2. What would you say as to the comparative movement of lumber from points included in Group 2 of the Southern railway, referring especially to the Atlanta division, from Macon, Georgia, to Brunswick, Georgia, inclusive?

Mr. Stillwell: There is very little lumber moved. The mills on that line of road have practically cut out. I do not know of a mill of any capacity operating on that branch. It is all cut out and moved away.

Mr. Boatright: From which of the Southern Railway groups does the business really begin to move? Which is the first group you find from which business really moves?

Mr. Stillwell: Group 3. Down to that point I see very few points and a very small percentage of lumber that could move so far as Georgia is concerned.

Mr. Boatright: Are you acquainted with the rates from
186 Group 3 as compared with the rates applicable from Mississippi points to the same territory?

Mr. Stillwell: I cannot say that I am, as of date, because, as I say, I am a little rusty on those rates, not having used them for four years.

Mr. Boatright: Can you get the relation by referring to some point in the tariff?

Mr. Stillwell: Yes, sir; by referring to Mineola and Valdosta I think you could get it.

Mr. Boatright: Take the G. S. & F. from Macon to Mineola, it is in that group, is it not?

Mr. Stillwell: Yes, sir.

Mr. Boatright: How do the rates from that territory compare with the rates in Mississippi?

Mr. Stillwell: Offhand, I could not tell you that. As I say, I am not familiar with those rates.

Mr. Boatright: What can you say in reference to the various increases in lumber rates to western territory since the year 1891?

Mr. Stillwell: I do not go farther back than 1899, when there was an advance of 2 cents. Since that date I have not been keeping up with the recent advances.

187 Mr. Boatright: Under conditions as they existed in 1891 and periods prior thereto, did any business move from this section to the western territory?

Mr. Stillwell: It practically amounted to nothing. The rate was such, we could do very little business during those years.

Mr. Boatright: Do you remember the reductions that were made in order to make it possible?

Mr. Stillwell: I do not in detail. I remember that they were reduced from time to time. I know we did get into the territory and work up the business.

Mr. Boatright: What can you say as to the increased cost of the production of lumber as compared with its increased selling price?

Mr. Stillwell: I should say the average increase, taking the various items—I made some figures sometime ago, but have not them exactly in mind—but I should say it would average about 33 per cent. all through.

Mr. Boatright: About what period did the price of lumber begin to increase in the West?

Mr. Stillwell: I should say that it was along in 1896 or
188 1897 or 1898.

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Mr. Boatright: How long did the increase keep up?

Mr. Stillwell: Well, we had a pretty good market there along until this advance in rates, that is, those shipping that way. That market has kept in pretty fair condition. We have kept up with it because we were directly interested in it.

Mr. Boatright: Has there been either an increase or decrease in western prices the present year as compared with one or two years immediately preceding.

Mr. Stillwell: I understand not. The prices have been very level for several years, up to within a few months.

Mr. Boatright: Recurring to the eastern question: is there still a good demand in the eastern markets?

Mr. Stillwell: The demand is very fair—I might say good, for the season. The prices have been affected, as I stated, by the rate situation.

Mr. Boatright: Overproduction, oversupply?

Mr. Stillwell: There has been no falling off in the demand. If anything I think it has been a little above the average.

Mr. Boatright: What can you say, Mr. Stillwell, as to the
189 increased capacity of cars, locomotives, tracks and other railroad appliances as compared with the former period when you have stated that no business was done.

Mr. Stillwell: I should say they had increased the capacity fully three times of the trains today as compared with ten or fifteen years ago. At that time the trains consisted of 15 to 20 cars of about 5,000 feet capacity. Today they haul 36 to 40 cars of from eight to eighteen thousand feet capacity, with practically the same train crew—of course, with the increased size of the equipment and things of that kind, cars, engines, etc.

Mr. Boatright: What in your judgment will be the effect on the class of timber now, or that has heretofore been cut for the western market if it should be kept out of that market?

Mr. Stillwell: There is a large percentage of it that cannot find a market in the East. If it is manufactured, it will rot in the yards, or if they cannot sell it, it will go into their slab pits.

Mr. Boatright: What effect does turpentining such timber have on it if left in the woods?

190 Mr. Stillwell: Very soon after the man leaves it, it commences to deteriorate and in a few years it becomes almost worthless. The trees burn down, blow down and rot, so that there is very little to be had out of it.

Mr. Boatright: How is most of the timber reached by the large mills?

Mr. Stillwell: By tram roads.

Mr. Boatright: Should those tram roads be removed on account of expiring leases, or other reasons, would or would not this timber be worth tramming to again even if conditions heretofore prevailing should again prevail?

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Mr. Stillwell: No, sir; it would not.

Mr. Boatright: Mr. Stillwell, what can you say with reference to any prosperity that there may have been in the lumber business—what we might call the enhanced value of timber?

Mr. Stillwell: In the timber business there has been more or less speculation in timber, but the saw-mill men and those who owned timber before have been going on cutting it and those who have to supply themselves with new locations now have to pay a considerabe advance. Their timber that cost them years ago very little money,
191 one dollar or one dollar and a half an acre, would sell today for six to twelve dollars an acre, according to location and the character of the timber. The stumpage would be enhanced very much.

Mr. Boatright: Then, would or would not there be as much profit in selling the timber as in cutting it?

Mr. Stillwell: It is a serious question today as the prices are and have a tendency of going—if they go much lower and if the price of timber remains the same it is a question whether the man who owns timber would not be better off to sell his timber. That refers to round timber. As to the man who owns box timber, it is useless for him to talk about holding it. If he leaves it it deteriorates and he loses it. But as to the round-timber proposition, as things now look there would probably be as much in selling the timber as in manufacturing it into lumber at the prices as they are today and are apparently going.

Mr. Boatright: How does the quantity of round timber compare with the box timber now in Georgia?

Mr. Stillwell: Well, the round timber in Georgia is a very small percentage.

Mr. Boatright: That is all.

192 Cross-examination:

Mr. Kaye: When did you start in the lumber business?

Mr. Stillwell: In 1866.

Mr. Kaye: At what time did the western market commence taking Georgia pine?

Mr. Stillwell: Well, away back in those days. I am off in dates. I could not tell exactly.

Mr. Kaye: Were you ever concerned in any firm that sold Georgia pine in the western market?

Mr. Stillwell: Yes, sir.

Mr. Kaye: Did you ever sell any out of your Hazlehurst mill?

Mr. Stillwell: Yes, sir.

Mr. Kaye: At that time was there much movement out of this territory to the West?

Mr. Stillwell: I cannot recall the dates. As far as we are con-

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cerned, we have never done much business there. It has been a secondary consideration with us, except as it was related in its effects on the coastwise business.

Mr. Kaye: Your mills were located near the coast? You
193 did not operate far from the coast? The farthest mills you had from the coast were at Hazlehurst and Humphreys, were they not?

Mr. Stillwell: One time we had a mill up at Bartow on the Central of Georgia.

Mr. Kaye: The class of timber you had around your Hazlehurst mill ranged so high, you could not afford to cut it for the western market, could you?

Mr. Stillwell: Yes, sir; it could be cut for the western market, but we put a certain percentage of that lumber in the western market, for instance, the outside boards, and as the trade got more evenly balanced, we turned that to the coast. It has been now 4 or 5 years since we did any western business, for the reason that the natural product that would go there, the product you would make for the West, we have found a market for a certain per cent. in the East at a slightly less price. For certain reasons—the difficulty of obtaining cars when we wanted them, overcharges in freights, manipulation in freights and things of that character—there was a time we were doing a little western business, but those things got so bad, we concluded we would not mix up with it and never have.

194 Mr. Kaye: When the western business started the mills in this section were not fitted with drying apparatus of such character as to get that stock in shape to handle, were they?

Mr. Stillwell: At a certain period they were not. They were induced to get into that by a gradual reducing of rates.

Mr. Kaye: And as these facilities were afforded the millman found that he could constantly increase the output per acre by utilizing a smaller tree, something that formerly went to the slab pile?

Mr. Stillwell: That is true.

Mr. Kaye: Now, of the larger size, what percentage of that went into the western market?

Mr. Stillwell: Well, that I could not differentiate from the general percentage that went there—25 per cent., probably—for the reason that the interior business in those dimension sizes has always been willing to take sound and square. It has been rarely that they called for merchantable grades. The timber that has been put into that has been our sappy timber, swamp timber, slash and things of that kind, whereas, the hard timber has moved East. In certain sections
195 where mills are located along the lines where the freights are about on the level, it is a question whether a piece cut 8 by 12, square edged and sold to the interior would not bring more money than to cut it merchantable and send it to the coast—and his 2 by 12 he takes off and sends to the interior.

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Mr. Kaye: Does your concern sell any lumber to the West?

Mr. Stillwell: We have not sold any to the West for 4 or 5 years.

Mr. Kaye: You cut a much smaller class of lumber than formerly?

Mr. Stillwell: Yes, sir; I have stated that we found a market for a certain amount of that stuff, which is limited.

Mr. Kaye: Do you cut any of this into laths and things of that sort?

Mr. Stillwell: Yes, sir.

Mr. Kaye: Where do you find a market for that?

Mr. Stillwell: We have shipped very little of that. That is one of the products that this western rate will ruin.

Mr. Kaye: You want a market for everything your mills can cut, and do not want any outside interference?

196 Mr. Stillwell: I do not want interference enough to ruin me.

Mr. Kaye: The demand East is good, is it not?

Mr. Stillwell: Yes, sir; it is.

Mr. Kaye: They take the larger sizes of merchantable stuff at a good price?

Mr. Stillwell: They did up to 3 months ago, but the prices are demoralized today. I have seen prices the last three weeks that took my breath.

Mr. Kaye: Is that on account of the 2-cent increase?

Mr. Stillwell: I attribute it to that wholly.

Mr. Kaye: How about the prices in Mississippi—are they demoralized?

Mr. Stillwell: They do not ship much to the East. They ship most of their product to the foreign trade or the interior.

Mr. Kaye: On the western market if the rates are the same at Mississippi and Georgia why should there be any demoralization on the coastwise movement? Why would it not affect the Mississippi movement the same as the Georgia movement, the rates being raised at the same time?

Mr. Stillwell: I thought I explained that in a measure.

197 I do not know all the conditions. We had certain customers. I say "we"—I mean other interior shippers. They had worked up a straight, legitimate, reasonable trade and had worked into a territory and run other woods out, and had got certain customers. Now, when that one cent was put on they lost some little of that business, but they managed to swing on to the best part of it. When you put your 2 cents on, those people commenced to look around. They looked everywhere. As one witness stated, they commenced to use Norway pine. They went to Mississippi and found people who cut lumber a little closer. They had a cent advantage in rate. They found those conditions and probably found that those conditions would continue, and we have lost that

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business, I consider, permanently. I do not think we can get it back right away, all of it. Some of it can be gained back if we have a quick action. If it takes too long, I think we will be ruined. I think we will go through another period like the saw-mill men did in 1893. That is the candid opinion I have of the effect.

Mr. Kaye: Do you know that the manufacturers of lumber in Georgia have made a great deal of money the last few years?

198 Mr. Stillwell: Some of them have by ways and means that I do not approve of—I mean working convicts.

Mr. Kaye: They have made money.

Mr. Stillwell: Some of them.

Mr. Kaye: They are considered the most prosperous class of producers in the South this year.

Mr. Stillwell: Unfortunately whoever considers it considers an untruth.

Mr. Kaye: They are not?

Mr. Stillwell: As a set they are not. If we had books kept like the railroads on a uniform system, it would be shown that the saw-mill men have not made 4 per cent. on their actual cash investment.

Mr. Kaye: A great many of them are making money.

Mr. Stillwell: I know the reasons they made it; and some did not make it.

Mr. Kaye: You were prominent in the formation of the Georgia Saw Mill Association and regarded it as a wise measure, did you not?

Mr. Stillwell: I did.

Mr. Kaye: You have the by-laws and rules, have you not?

Mr. Stillwell: Yes, sir.

199 Mr. Kaye: Will you furnish me a copy?

Mr. Stillwell: I have not them with me.

Mr. Kaye: Will you furnish one?

Mr. Stillwell: Yes, sir.

Mr. Kaye: Furnish it as an exhibit. As Judge Baxter suggests, we desire it stated in the record that it will be an exhibit to the witness' testimony.

(The same is hereto annexed and marked "Exhibit No. 1 to Mr. Stillwell's testimony.")

Mr. Stillwell: May it please the Commission, I want to withdraw my willingness to put that in without an explanation. I want that privilege if they want the by-laws in.

The Chairman: It is quite evident we cannot conclude the examination of this witness tonight, and unless there is some serious objection, we will suspend now and adjourn the hearing until tomorrow morning at 10 o'clock.

At 5 o'clock p. m. the Commission adjourned until 10 o'clock a. m. October 27, 1903.

200 ATLANTA, GA., *October* 27, 1903—10 a. m.

The Chairman: Gentlemen, please give us your attention.

Mr. Kaye: I want to ask Mr. Stillwell a few questions.

W. B. STILLWELL resumed the stand.

Mr. Kaye: Mr. Stillwell, what did I understand you to say was the weight of the standards and supports used on cars for loading for western markets?

Mr. Stillwell: That ranges from about 700 to 1,000 pounds.

Mr. Kaye: How many standards are used?

Mr. Stillwell: That varies according to the lumber that is loaded.

Mr. Kaye: What is the minimum number used?

Mr. Stillwell: I should say about six for western shipment.

Mr. Kaye: And not exceeding eight?

Mr. Stillwell: Eight; yes, sir.

Mr. Kaye: What class of lumber is used to make these standards?

Mr. Stillwell: Straight-grain stuff; practically free from
201 knots, as required by the specifications.

Mr. Kaye: Are there any requirements as to heart?

Mr. Stillwell: Nothing except straight grain, and you won't get straight grain except by taking pretty good heart stuff.

Mr. Kaye: What are the dimensions in feet of each standard?

Mr. Stillwell: They would be about 4 x 5 inches and about 8 feet long; something like that; about 16 feet to the piece.

Mr. Kaye: Reduce that.

Mr. Stillwell: I say about 16 feet.

Mr. Kaye: Then the binders?

Mr. Stillwell: The binders are 1 x 6 inches x 10 feet.

Mr. Kaye: There are not less than six nor more than eight of those?

Mr. Stillwell: One to each standard. There has to be one on each side of each standard.

Mr. Kaye: What other lumber is used?

Mr. Stillwell: The cross-pieces. They require about 8 x 8; something like that.

Mr. Kaye: State the total number of feet used in preparing a car for the western movement? Give me the total number of
202 feet, as near as you can.

Mr. Stillwell: We have had that figured up some time, but I haven't it with me. It would take some little time to get that up accurately for you.

Mr. Kaye: What is the value of that class of lumber?

Mr. Stillwell: That class of stuff would produce lumber that would pay from $10.00 to $14.00 at the mill.

Mr. Kaye: What is your experience as to the weight of lumber, Mr. Stillwell?

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Mr. Stillwell: Four and one-half pounds to the foot is a fair average weight.

Mr. Kaye: You speak of the rough green, don't you?

Mr. Stillwell: Yes, sir.

Mr. Kaye: What is the weight of dried stuff?

Mr. Stillwell: Dried stuff varies. Dried green stuff would vary somewhat according to size, and range from three and one-half to four pounds rough.

Mr. Kaye: Is there any difference in the weight of rough lumber shipped West and the higher grade of rough lumber shipped East, in weight?

Mr. Stillwell: Of course, depending on whether it is dried.
203 If you take the dried stuff both ways, East and West, there is a slight difference in weight, in that the eastern lumber has more heart in it than the western stuff, and the heart would weigh a little more in the dried lumber.

Mr. Kaye: Mr. Stillwell, what is the cost at the mill of lumber of the grade shipped East, loaded on cars?

Mr. Stillwell: I could not tell you by the separate grades. I could only give you the average cost. We do not keep the grades separate.

Mr. Kaye: Give the average cost?

Mr. Stillwell: From about $7.50 to $8.00 would be about the average cost.

Commissioner Prouty: What do you include in the word "cost"—stumpage?

Mr. Stillwell: That includes stumpage and cost of manufacture.

Mr. Kaye: What does that class of lumber sell for?

Mr. Stillwell: I would state that that cost is based on $1.00 stumpage. To-day I consider stumpage worth more than that.

Mr. Kaye: How much more?

Mr. Stillwell: On boxed timber I should say $1.00 more;
204 on round timber $2.00 more.

Mr. Kaye: Mr. Stillwell, there is very little round timber left in the Georgia forests, is there not?

Mr. Stillwell: Yes, sir; I have so stated, I think.

Commissioner Prouty: You have spoken several times about boxed timber. By that you mean timber from which the turpentine has been extracted?

Mr. Stillwell: Yes, sir.

Commissioner Prouty: Does that kill the trees?

Mr. Stillwell: Yes, sir; they must be cut in a few years.

Commissioner Prouty: Within about how long a time after the boxing is ended must the tree be cut and put into lumber to be of value?

Mr. Stillwell: I should say that the tree that stands from the first boxing beyond two years would deteriorate very rapidly indeed.

Commissioner Prouty: Then within how many years must this lumber in Georgia be cut off to be of value?

Mr. Stillwell: Well, that would depend on conditions in the different territories or sections, as to the method of original
205 boxing used. For instance, boxing that was done ten or twelve years ago when the turpentine men first came into this territory was done on a very much more reasonable basis than the boxing was done afterwards, in later years. In those days they would cut probably on a small tree one box, and on a larger tree two boxes. In after years they doubled that. The consequence of that was that the trees boxed years ago, some of them would regain their condition; the wound would heal over and the tree would not be seriously damaged. With the recent boxing the tree generally dies in from three to five years from the first boxing.

Commissioner Fifer: What proportion of this timber is in that state? How much is there left not boxed?

Mr. Stillwell: There is very little round timber left in Georgia; in isolated instances, in small bodies, there is some round timber to be found.

Commissioner Fifer: That is timber that has not been boxed?

Mr. Stillwell: Yes, sir. There is very little round timber left.

Commissioner Prouty: You have said here, or it has been
206 stated, that lands were bought some ten years ago for $1.00 to $1.50 an acre. Had those trees been boxed at that time?

Mr. Stillwell: In some instances they had; in others not. A great deal of timber was bought at $1.00 and $1.50.

Com'r Prouty: And boxed since then?

Mr. Stillwell: Yes, sir.

Com'r Prouty: How much was that worth an acre?

Mr. Stillwell: For any timber not boxed in ten years I would say its intrinsic value—provided a storm or fire had not gone through it—would be $2.00 for stumpage.

Com'r Prouty: Who boxes this timber usually—the man who owns it, or does he lease the privilege to some one else?

Mr. Stillwell: I should say 90 per cent. of them lease it.

Com'r Prouty: What do they receive for that?

Mr. Stillwell: That has varied all the way from $1.00 an acre up to $3.00 or $4.00 per acre. We generally get about the same value for the turpentine privilege as for stumpage, as a rule.

Com'r Prouty: Recurring to my former question, within how many years do you think the most of this Georgia timber must be cut off in order to save it?

207 Mr. Stillwell: Of course, understand there is some of this timber being boxed now, or been boxed in the last two or three years, but I should say that six to eight years will leave us very little timber in Georgia. Any not cut in that time that has been boxed will be almost worthless.

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Mr. Kaye: Is it not within your knowledge that there has been a great deal of back-boxing in Georgia, that was boxed ten or fifteen years ago and is being back-boxed to-day?

Mr. Stillwell: Yes, sir. I stated that that timber that was boxed ten or fifteen years ago was boxed so that it left the trees in a condition to heal. When you put a turpentine man in there boxing he protects the trees from fire. The moment he leaves the timber it is subject to fire, and that does great damage.

Mr. Kaye: If there have been no fires or destructive storms, there is no reason why that timber should not remain intact for years and years until the millman comes along? A log that was boxed six or eight years ago will absolutely die from that boxing, without any other cause?

Mr. Stillwell: That is my observation and opinion.

Mr. Kaye: Mr. Stillwell, the cost now of your lumber you
208 say is based on $1.00 per thousand feet stumpage. You figure that upon the quantity per acre?

Mr. Stillwell: I figure that is the stumpage per thousand feet that we get out of it.

Mr. Kaye: There has not been very much timber sold in Georgia upon the stumpage basis, has there? It has been sold by the acre, has it not?

Mr. Stillwell: The stumpage value is always based on the land, because there is no man who has any knowledge of business who would buy land for the timber privilege without examining it and making an estimate on it.

Mr. Kaye: In making that estimate, the smaller sizes were excluded until recently, were they not?

Mr. Stillwell: Yes, sir.

Mr. Kaye: Then if you bought tracts of timber land, you would buy it at so much per acre, figuring what it would cut for the eastern market, what it would produce for the eastern market?

Mr. Stillwell: That was the original basis until this western business came in.

Mr. Kaye: Then when the western business came up there
209 was an addition made then of what the smaller sizes would produce. Formerly you say you estimated only on the large timber that you could cut?

Mr. Stillwell: You mean that was added to the value of the timber?

Mr. Kaye: I say it was not added until recently.

Mr. Stillwell: That was one factor.

Mr. Kaye: Most of the millmen——

Mr. Stillwell: Another factor is the scarcity of it—the denuding of the forests.

Mr. Kaye: Most of the millmen in Georgia purchased their timber lands not recently, but years ago? The great mass of the stuff was purchased years ago? Is that not true?

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Mr. Stillwell: I think that is true to a large extent, but to what extent I would not be able to state.

Mr. Kaye: Therefore in purchasing these bodies or tracts of timber and excluding from that the smaller cut, then in figuring the value of the stumpage upon the western product, or upon the product for western shipment, it practically cost nothing?

Mr. Stillwell: Assuredly it cost something.

210 Mr. Kaye: But if it was excluded from the calculation of value, how can you figure that it cost anything to the man acquiring the tract?

Mr. Stillwell: In two ways: In one way it is absolutely worthless because if you had that timber boxed your small timber is worth nothing now; it is burned up or rotten, and it would not pay anybody to go in there to cut it. On the other hand if you include it in the price today, it increases the value of that timber to that extent. But if you have any timber left over that you bought years ago and you left the small timber to go over again, you have paid taxes on it and paid to keep poachers off, and when you add that expense, it is worth as much today as if you had to go and buy it.

Mr. Kaye: That was to protect it, that expense?

Mr. Stillwell: I mean the expense of keeping people from cutting the timber and hauling it off, or floating it off, or something of that kind, for mill purposes. I say if that timber was boxed several years ago it is worthless today.

Mr. Kaye: How many thousand feet per acre do you figure on of the eastern class of stuff that the Georgia lands will produce?

211 Mr. Stillwell: That varies. I should say that of the eastern lumber, in a large portion of Georgia—I don't know that the average of yellow pine in our district would go over 1,500 to 2,000 feet. I should say 2,000 feet was about the maximum.

Mr. Kaye: Do you know of any bodies of timber lands that were purchased at more than $2.00 per acre prior to five years ago?

Mr. Stillwell: Personally I would say that I do.

Mr. Kaye: Is it not true that no such price obtained, that a dollar an acre was considered a good price for the timber privilege after the turpentine man was through?

Mr. Stillwell: No, sir. I recall that $5.00 per acre was paid for timber that had been turpentined. I recall that.

Mr. Kaye: Where was that body of timber and when was it sold?

Mr. Stillwell: Six or seven years ago. It was up in Montgomery or Tatnall counties, along the line of the Seaboard Air Line.

Mr. Kaye: What was the special [illegible] that made it so valuable?

212 Mr. Stillwell: I don't know of any special reason, except that it was good timber and convenient for the building of that road.

Mr. Kaye: That is extraordinary good timber in Montgomery county, far better than the timber down on the coast, is it not?

Mr. Stillwell: No, sir; I cannot say that. I think we have as good timber in Appling and Ware counties as in Montgomery; but I never operated there.

Mr. Kaye: Coming down to your own experience in late years, do you recall any timber that your company has purchased at any such price in the last few years?

Mr. Stillwell: No, sir; because I think our company have not, unfortunately, been timber-buyers.

Mr. Kaye: You have bought some timber, have you not?

Mr. Stillwell: Very little.

Mr. Kaye: Take the two particular tracts that you mentioned; what did they cost you?

Mr. Stillwell: About $2.25.

Mr. Kaye: What would that average?

Mr. Stillwell: I should think that timber for the eastern market would cut about 2,000 feet.

Mr. Kaye: How much, then, would be left suitable to be cut for the western market?

Mr. Stillwell: I should think we could probably increase that with conditions today 1,000 or 1,500 feet.

Mr. Kaye: How do you get $1.00 a thousand stumpage, which you say ought to be higher as business profit and the value increased?

Mr. Stillwell: If you could sell it for $1.00 stumpage, it is worth it. If you can sell it for $3.00, it is worth it.

Mr. Kaye: Do you increase your cost as your price of stumpage goes up?

Mr. Stillwell: Unfortunately, no, and that is true of 99 per cent. of Georgia saw-mill men. I wish to the Lord they did do it.

Mr. Kaye: What would you say would be a fair value for stumpage?

Mr. Stillwell: I think $2.00 for boxed timber.

Mr. Kaye: Is it not true that 3,500 or 4,000 feet is not an excessive average for lumber that will cut sizes to go to the eastern market?

Mr. Stillwell: I know it is if you take Georgia as a whole. I have had experience enough to say that positively, from my own experience.

Mr. Kaye: What elements have entered into increasing the cost of timber production?

Mr. Stillwell: Well, pretty nearly everything that enters into—the cost of rails, the cost of forage for stock, the cost of labor, the cost of oils, and, in fact, I do not know of anything that you could name in connection with it that has not advanced.

Mr. Kaye: Do you think the cost of stumpage is one of the largest items?

Mr. Stillwell: That is a large item.

Mr. Kaye: Is it not true that as lumber goes up the stumpage price advances really more than the market value of the manufactured article? The jumps have been greater in the prices for the land, I suppose, than any other element entering into it?

Mr. Stillwell: I have stated unfortunately that was not so. The millmen do not advance it fast enough. I have just said I wished they would advance it faster.

Mr. Kaye: What does it cost to produce the grade of lumber that goes West?

215 Mr. Stillwell: I cannot distinguish between the grades, because I have never seen any estimate of manufacture that did not include the whole.

Mr. Kaye: You do not manufacture that stuff?

Mr. Stillwell: We manufacture the same stuff.

Mr. Kaye: That is not poor lumber that you send West, is it?

Mr. Stillwell: It is lumber that it has been impossible to find a market for before. It is what we call sap lumber.

Mr. Kaye: It is a good lumber?

Mr. Stillwell: It is a good lumber for certain purposes; yes, sir.

Mr. Kaye: And you do send to the western market some very good lumber, don't you? Take flooring, some very good flooring goes West?

Mr. Stillwell: There are various grades of flooring, and you must understand in sap flooring there is a vast difference in grade. You take A grade of sap flooring, it is a good grade of lumber. When you come to No. 2 common or C fence it is a low grade, and yet is all flooring and manufactured out of sap stock.

216 Mr. Kaye: Take high-grade flooring; what does that bring at the mills?

Mr. Stillwell: Well, I speak of that just from my knowledge of the market; I think it is about $14.00. We do not sell our lumber that way; we do not do a western business. We sell that character of stuff in the East.

Mr. Kaye: What is the lowest price of stuff that you sell to the eastern market, f. o. b. at the mill?

Mr. Stillwell: We do sell a little low-grade in the East, about as low a grade as anywhere else, but the demand there is very small, and it is a rare thing. I have sold lumber in the East that did not net us over $6.00 or $7.00 at the mill.

Mr. Kaye: But as to the average grade you sell there, what do you receive for that f. o. b. at the mills?

Mr. Stillwell: I can only give you the average of the whole, and that we estimate is about $9.00.

Commissioner Prouty: You say that same lumber—reckoning $1.00 stumpage—costs you $7.50 a thousand?

Mr. Stillwell: Yes, sir.

Mr. Kaye: What is your output a day?

217 Mr. Stillwell: We have an output of about 50,000 at present. We have had a larger daily output.

Mr. Kaye: Up to recently you have had an output very much larger than that, have you not?

Mr. Stillwell: We have had 60,000.

Mr. Kaye: I mean when your Humphrey and Hazlehurst mills were running; at that time you had an output of over 100,000 feet?

Mr. Stillwell: Not much over 100,000.

Mr. Kaye: Mr. Stillwell, in loading these flat cars for most of your purposes, they are far better than box cars, speaking of the western movement, are they not?

Mr. Stillwell: I am not prepared to talk to you very much about the western movement, because I do not handle it.

Mr. Kaye: The box car loaded with lumber going West generally comes back loaded, don't it?

Mr. Stillwell: I cannot answer that, because I do not know sufficient of the railroad business to say that. I believe a proportion of them do. I also believe, and know from observation that a large part of the flat cars come back loaded, because they are open and you can see whether they are loaded or not. I cannot say that of box cars.

218 Mr. Kaye: Are you sufficiently versed in practical milling to tell this Commission what is the cost of cutting down a tree in the woods and of getting it to the mill, per thousand feet?

Mr. Stillwell: I could from my records, but I confess I do not recollect it, because that is not in my department.

Mr. Kaye: Can you approximate it with reasonable accuracy?

Mr. Stillwell: I would not like to make an approximation when I have the actual figures in my office.

Mr. Kaye: Would you say it was more than $1.00 per thousand feet?

Mr. Stillwell: Yes, sir; I should say it was over $3.00.

Commissioner Fifer: Could you furnish a statement of that and make it a part of your testimony?

Mr. Kaye: I suggest, your honor, we can get that from some other witness.

Commissioner Prouty: Mr. Stillwell, has your association any estimate of the number of acres or number of feet of yellow pine still remaining uncut in the State of Georgia?

Mr. Stillwell: Not to my knowledge, but I am quite sure they have not.

219 Commissioner Prouty: Can you tell how long it would take the mills cutting at their present rate to exhaust that supply?

Mr. Stillwell: I estimate from six to eight years will probably exhaust it.

The Chairman: You mean that the yellow-pine industry to which you refer will not continue longer than six or eight years?

Mr. Stillwell: I do not mean that literally, but I mean that after that what is done will be in five-acre lots, or small lots, like getting pine out from the swamps. The business will be very small after that.

Mr. Wimbish: What is the amount invested in the saw-mill business in this State?

Mr. Stillwell: I should estimate somewhere in the neighborhood of $10,000,000. I have never had an accurate estimate.

Mr. Wimbish: How much of that would you say is represented by machinery and equipment and plant, aside from real estate?

Mr. Stillwell: Well, I should think 30 to 40 per cent.—25 per cent. in any event.

220 Mr. Wimbish: From two and a half to four million dollars?

Mr. Stillwell: Yes, sir.

Mr. Wimbish: When the timber has been all cut in this territory, what will become of that value, of that equipment and plant?

Mr. Stillwell: It will be old junk. That is about all you could get for it.

Mr. Wimbish: Is the machinery adapted to any other purpose?

Mr. Stillwell: No, sir; it is not, excepting parts of it; for instance, an engine is good as an engine anywhere, but there are always many second-hand engines on the market—a surplus of them, so you can practically get nothing more than scrap for them as a rule.

Mr. Wimbish: So that in your business you must anticipate a time when a large part of your investment will become worthless?

Mr. Stillwell: Most assuredly; yes, sir.

Mr. Wimbish: Is there any difference in the cost of equipment of a flat car in the coastwise trade and in the western business?

221 Mr. Stillwell: Yes, sir; some difference. It is a little cheaper to equip them for the coastwise trade. They have not such stringent rules there; or, while they have as strict rules they do not enforce them so strictly as in the western business.

Mr. Wimbish: What percentage of this high-grade flooring is shipped to the West? What proportion of the entire shipments is West?

Mr. Stillwell: My information and observation is that only a very small percentage of the high-grade stuff goes West as compared with what goes to the East.

Mr. Wimbish: Can you say what is the average value of the lumber shipped West?

Mr. Stillwell: Well, I am hardly in a position to do that, because I am not familiar with the percentages of the different grades they ship there, exactly.

Mr. Wimbish: What is the value of the second-grade lumber—No. 2 common, do you call it?

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Mr. Stillwell: No. 2 common runs down to about $8.00; "A" runs up to about $14.00.

Mr. Wimbish: What other grades do you ship there?

Mr. Stillwell: You mean into the West?

Mr. Wimbish: Into the West; yes, sir.

Mr. Stillwell: The bulk of the shipments West would be "B" and down; that is "B" and No. 1 and No. 2 common; and the bulk of the shipments East is "A" and up, and what I mean by that is we have "A" and then there is clear heart face, and then what is known as rift—all high grades; the rift bringing as much as thirty-odd dollars a thousand. That goes East.

Mr. Wimbish: Is there any grade lower than No. 2 common shipped to the West?

Mr. Stillwell: That is about as low as is shipped there. They call it by different names; but that would be about as low as is shipped.

Mr. Wimbish: What is the average value of lumber per ton?

Mr. Stillwell: About $4.00 to $5.00 per ton; that is, at the mill.

Mr. Wimbish: Mr. Stillwell, how long have you been a member of the Georgia Saw Mill Association?

Mr. Stillwell: Since its organization. I was one of the organizers.

Mr. Wimbish: That was in August, 1899?

Mr. Stillwell: Yes, sir.

Mr. Wimbish: Has that association any rule and practice of fixing prices on the lumber, the output; that is, for its members?

Commissioner Prouty: What has that got to do with this case?

Mr. Wimbish: Nothing, except they have gone into it on the other side as attempting to prove a combination. However, I think myself it has nothing to do with the case, and I objected to its being introduced.

The Chairman: The articles and by-laws of your association have not yet been produced in evidence and do not require any explanation.

Mr. Wimbish: If they are not in, I will not examine the witness on that line, but before my witness is dismissed, if they are going to be commented on, I want to ask him a few questions about them.

Commissioner Fifer: Is this timber land worth anything for agricultural purposes, or any other purpose, after the timber is removed?

Mr. Stillwell: Yes, sir; in certain sections. It runs according to the section. We ourselves have sold those lands ranging in price from 50 cents to $5.00 an acre, of course the higher priced land was exceptionally well adapted to some cream.

Commissioner Fifer: What would be the average value of the lands after the timber was removed?

Mr. Stillwell: I should think it would range somewhere between $1.00 and $2.00. That would be a fair value. There are some sections where it is worth little or nothing, and there are other sections

where it would be worth more. The average, however, would be between $1.00 and $2.00 an acre.

Mr. Kaye: The lands in Georgia go through about four periods, don't they, in the wire-grass section: First, the turpentining. That takes the virgin timber, the round timber, and that is turpentined for three years on an average.

Mr. Stillwell: About that.

Mr. Kaye: Then follows behind the turpentine man, more or less rapidly, the saw-mill man. Then after the saw-mill man comes the cross-tie man, and after the cross-tie man comes the agriculturist.

225 Is it not true that where people have bought bodies of land in fee-simple that the original cost was met by the value of the turpentine privilege as a rule; that that paid the original cost of the lands?

Mr. Stillwell: That has not been my experience. I have stated, and still maintain, that my experience goes to show that you pay about half and half for it. We ourselves have bought timber jointly with the turpentine men on that plan.

Mr. Kaye: Where you have bought lands in fee-simple, have you not sold out the turpentine privilege before working the lands for the mills?

Mr. Stillwell: As a rule that is done.

Mr. Kaye: As a rule, there is very little round timber converted into logs? It is first boxed by the turpentine men, is it not?

Mr. Stillwell: Yes, sir; that is true.

Mr. Kaye: In regard to what are known as the cut-off lands, what are they bringing today in south Georgia for the cross-tie privilege?

Mr. Stillwell: That varies very greatly according to conditions. It depends on how closely you cut them for saw-mill purposes, and the original stand.

Mr. Kaye: Have you any experience of your own?

226 Mr. Stillwell: Yes, sir; we have sold that privilege from $25.00 to $200.00 per lot.

Mr. Kaye: Per lot of 290 acres?

Mr. Stillwell: Yes, sir.

Mr. Kaye: And after that you sell the land for agricultural purposes for such price as the location will justify?

Mr. Stillwell: Yes, sir.

Mr. Kaye: And as a matter of fact where you acquired the land in fee-simple, your timber has been a source of profit and there has been no stumpage really charged to the mill at all? Is that not true in the great majority of cases?

Mr. Stillwell: If you had a gold mine from which you got $150.00 of gold and $25 of silver to the ton, would you throw the silver away.

Mr. Kaye: Then you consider timber lands in Georgia gold and silver mines, do you?

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Mr. Stillwell: I say to the extent of their value they are on the same principles as suggested. They are valuable, and I do not suppose anybody unless he was an idiot would throw away value.

The Chairman: You stated that the average cost of producing lumber is $7.50 to $8.00 a thousand?

Mr. Stillwell: Yes, sir.

The Chairman: What items enter into that estimate?

Mr. Stillwell: As I stated, we put stumpage in at $1.00; then there is cutting, hauling, tram road, and actual manufacture at the mill, and loading on the cars. We estimate that cost loaded on the cars is from $7.50 to $8.00.

The Chairman: The different items would vary in different cases?

Mr. Stillwell: Yes, sir. The man who has to haul his timber three miles,—his haulage would cost less than one who had to haul it thirty miles; and of course other items would vary greatly, and the man hauling timber that will cut, say, 4,000 feet to the acre will have a less cost than the man whose timber will cut only a thousand feet to the acre.

The Chairman: Allowing $1.00 for stumpage, you estimate the cost in your case at $7.50 to $8.00?

Mr. Stillwell: Yes, sir.

Commissioner Clements: If I understood you correctly yesterday, you said the price in the eastern market had fallen off in the last year?

Mr. Stillwell: Yes, sir; it has.

Commissioner Clements: Is that correct?

Mr. Stillwell: It has fallen off materially.

Commissioner Clements: What was it before the falling off—the price of the lumber that you sold in the East?

Mr. Stillwell: It is very hard to state the average price on eastern lumber. The average falling off in price, I should say, is about $1.50 a thousand.

The Chairman: You say that the standards and other appliances for holding lumber on flat cars in shipment are required by the rules of the Master Car Builders' Association?

Mr. Stillwell: I do not know really whether those rules are Master Car Builders' Association rules or railroad rules, traffic rules. They are required by the railroads. They will not accept a car that does not conform to those rules.

The Chairman: So in point of fact there is general compliance with those rules?

Mr. Stillwell: Yes, sir. The lumber would not be permitted to move otherwise.

The Chairman: The standards and other appliances used are of the quality and character required by those rules?

Mr. Stillwell: Yes, sir.

The Chairman: Where do you get those rules from when they come to your notice?

Mr. Stillwell: They are furnished by the railroads. They are sent to us by the railroads; the agents furnish them to us. They come from the transportation department of the railroad.

Mr. Wimbish: I have no further questions to ask the witness.

The Chairman: If there is nothing further to be asked of Mr. Stillwell, he will be excused. That seems to be all.

Witness excused.

(Exhibit No. 1 to Mr. Stillwell's testimony not furnished.)

J. LEE ENSIGN.

230 A witness called on behalf of complainants, having been duly sworn, testified as follows:

Mr. Wimbish: Mr. Ensign, please state your business, its location, its nature, and how long you have been engaged therein.

Mr. Ensign: My business now is that of a manufacturer and also wholesaler of yellow-pine lumber. I have been engaged in the manufacture of lumber since 1895. I have been in the wholesale business since about the first of the year.

Mr. Wimbish: Are you still interested in the manufacture of lumber?

Mr. Ensign: I am.

Mr. Wimbish: At what points are your interests located?

Mr. Ensign: Well, I am actually managing a plant at Alapaha, on the Atlantic Coast Line. I am interested also in a plant at Ocilla. Ocilla and Alapaha are the only two places.

Mr. Wimbish: Where is your wholesale place of business?

Mr. Ensign: At Tifton.

231 Mr. Wimbish: What effect, if any, has the recent advance in rate had upon your business?

Mr. Ensign: Well, I think it has had a tendency to decrease the amount of business and decrease the price of lumber.

Mr. Wimbish: Please go into details, Mr. Ensign, and state to the Commission the facts in the case.

Mr. Ensign: With reference to my wholesale business, as I stated, I have only been in that business since the 1st of January. Of course in January my business should have been very small. Notwithstanding that fact my wholesale business has decreased to western points about 45 per cent.

Commissioner Prouty: How is it with your entire business? Has it decreased or increased?

Mr. Ensign: My entire business has decreased. According to my statements for January, February and March I shipped 368 cars of lumber to all points. In July, August and September I shipped 246 cars, a decrease of about 30 per cent.

Commissioner Prouty: Has nearly all that decrease been in shipments to western points?

Mr. Ensign: Yes, sir.

Commissioner Prouty: You ship about the same quantity 232 to eastern markets that you did?

Mr. Ensign: We ship more. In January, February and March in my wholesale business I shipped 286 cars, or about 80 per cent.—no, I should say about 70 per cent. of my business went West.

I shipped 82 cars to the coast. In July, August, and September I shipped 127 cars to the West and 109 cars to the coast.

Mr. Wimbish: You do not ship to eastern markets all-rail?

Mr. Ensign: No, sir—very little.

Mr. Wimbish: Have you a statement of the Ensign-Oskamp Company?

Mr. Ensign: I have.

Mr. Wimbish: Please submit that.

Mr. Ensign: The Ensign-Oskamp Company shipped during July, August and September, 1902, 279 cars. To points affected by the increase in rate they shipped 138 cars, or about 50 per cent. To coast ports and Pennsylvania and Maryland and other Eastern States they shipped 50 cars, or 17½ per cent. During July, August and September, 1903, they shipped 301 cars. To points affected by the increase in rate they shipped 95 cars, or 31½ per cent.; to
233 Georgia and Florida and Atlantic Coast points they shipped 77 cars, or 25½ per cent.

Mr. Wimbish: Have you finished the statement?

Mr. Ensign: No. The statement further shows that the price has declined from $1.00 to $1.50 a thousand, and customers for all material at western points have informed us that they cannot pay us as much by $1.00 a thousand.

Mr. Wimbish: Have you had any experience in buying lumber for car companies?

Mr. Ensign: Yes, sir.

Mr. Wimbish: What was that experience, Mr. Ensign?

Mr. Ensign: I was the southern buyer for the Ensign Manufacturing Company of Huntington, West Virginia, during the period of 1890 to 1895.

Mr. Wimbish: What was the character of the lumber that you bought?

Mr. Ensign: I bought car sills and car decking.

Mr. Wimbish: What was the price of car sills in 1890?

Mr. Ensign: In 1890, 1891, and 1892 we were paying $10.00 per thousand.

Mr. Wimbish: What was the price in 1893 and 1894?

Mr. Ensign: Well, it gradually dropped, until in 1895
234 when I left the car plant, they were paying about $7.50 a thousand.

Mr. Wimbish: What is the average price that sills are bringing now?

Mr. Ensign: I should say on an average of $8.00 or $8.50 a thousand for car sills.

Mr. Wimbish: Do you know your cost of producing those sills?

Mr. Ensign: I know about the cost of it. I could not tell exactly without going into a detailed statement. $7.50 a thousand is as cheap as they can be manufactured for at present.

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Commissioner Prouty: Allowing how much for stumpage?

Mr. Ensign: I do not know what our actual stumpage cost us.

Commissioner Prouty: I assume that you bought the land when it was cheaper. If you should buy it now it would cost more.

Mr. Ensign: When we bought the land—for instance, one company I am interested in bought their timber five years ago.

Commissioner Prouty: Now, on the basis of what you actually paid then, it cost you $7.50 a thousand to produce car sills?

Mr. Ensign: Yes, sir; from $7.00 to $7.50 to produce car sills.

Mr. Wimbish: How much has the rate been increased since 1897—the rate on sills to Ohio River points and points beyond?

Mr. Ensign: Five cents.

Commissioner Prouty: From what point?

Mr. Wimbish: I was just going to ask that.

Mr. Ensign: From points in Georgia.

Mr. Wimbish: Does that not vary, according to the grouping, Mr. Ensign?

Mr. Ensign: Yes, sir.

Mr. Wimbish: Now, to what point do you refer?

Mr. Ensign: Tifton, you might say.

Mr. Wimbish: How much does that amount to per thousand feet on car sills?

Mr. Ensign: About $2.25 a thousand.

Mr. Wimbish: Is Huntington, W. Va., a point that bases on Ohio River crossings?

Mr. Ensign: I think it does. Their rate has always varied as the other points varied.

Mr. Wimbish: Do you know the comparative distance from Mississippi points—say, from Laurel, Miss., to Chicago, and from Tifton or Cordele to Chicago?

Mr. Ensign: Approximately. I could not give you the distances exactly.

Mr. Wimbish: How do they compare?

Mr. Ensign: Well from Tifton it is about 100 miles difference—100 miles nearer to Chicago than Hattiesburg, and Cordele is 45 miles less distant than Tifton.

Mr. Wimbish: Tifton is 100 miles nearer Chicago than Hattiesburg?

Mr. Ensign: It is 100 miles nearer to Chicago.

Mr. Wimbish: What rate does that take?

Mr. Ensign: It takes a 26-cent rate now to Chicago.

Mr. Wimbish: What rate does Tifton take?

Mr. Ensign: 27 cents.

Mr. Wimbish: Mr. Ensign, are you familiar with the quantity of lumber shipped from Georgia into this western territory, that is, to Ohio River crossings and points that base on those crossings—in round numbers?

Mr. Ensign: No, sir; I could not tell you; about 50 to 75 per cent. It varies according to the conditions of the market.

237 Our lumber has always gone to the West.

Mr. Wimbish: How much of that lumber moves through Cairo?

Mr. Ensign: I could not tell you how much moves through Cairo. It is a very small amount.

Mr. Wimbish: I mean relatively. You have not the figures I understand. How much moves through Cairo—half of it?

Mr. Ensign: I do not think any of it should move through Cairo from points I ship from. It is a longer distance through Cairo.

Mr. Wimbish: Take shipments for Chicago, or Detroit, or Michigan City. In regard to lumber shipped to either of those points, through which points does it move?

Mr. Ensign: Through Evansville or Cincinnati, I should say; the bulk of it.

Cross-examination:

Mr. Kaye: Mr. Ensign, when did you come to Georgia to live?

Mr. Ensign: In 1889. I did not come here to live then, but I came down into Georgia.

Mr. Kaye: You settled down and went into business in Georgia then?

238 Mr. Ensign: No, sir; I did not.

Mr. Wimbish: At what time did you go into the saw-mill business in Georgia?

Mr. Ensign: In 1895.

Mr. Kaye: That was with the Ensign-Oskamp Company?

Mr. Ensign: No, sir.

Mr. Kaye: Did you make any purchases of timber land when you started in business?

Mr. Ensign: Yes, sir; we did.

Mr. Kaye: Did you buy the lands outright, or just the stumpage?

Mr. Ensign: We bought some land outright, and some stumpage.

Mr. Kaye: What did the lands you bought outright cost you?

Mr. Ensign: They varied from $2.00 to $10.00 per acre.

Mr. Kaye: How much on the average was there of timber on the $2.00 per acre tracts?

Mr. Ensign: I should say about 3,500 to 4,000 feet.

Mr. Kaye: When you say 3,500 to 4,000 feet do you include everything that the land would cut, or just what it would cut for the East?

239 Mr. Ensign: Everything that it did cut.

Mr. Kaye: The $10.00 per acre purchases were comparatively recent, were they not?

Mr. Ensign: No, sir, in 1897, I think.

Mr. Kaye: Was that price paid because of any special conditions which made it necessary to acquire the property, or was it the selling market price—$10.00 per acre?

Mr. Ensign: We bought the land, timber and all.

Mr. Kaye: When you bought the $2.00 per acre timber you got the land, timber and all, didn't you?

Mr. Ensign: No, sir; we paid that for the timber.

Mr. Kaye: So the $2.00 per acre represented only the stumpage?

Mr. Ensign: That is all; yes, sir.

Mr. Kaye: In any case did you buy land in fee-simple for $2.00 per acre?

Mr. Ensign: No, sir.

Mr. Kaye: Did you pay as much as $10.00 per acre for all the land you bought in fee-simple?

Mr. Ensign: Yes, sir; for the land and timber.

Mr. Kaye: Was it round timber?

Mr. Ensign: Yes, sir.

Mr. Kaye: What did you get for the turpentine privilege on that land, per acre?

Mr. Ensign: I do not think we sold it; we might have sold one or two lots, but I do not think we sold any of it; that is my recollection of it.

Mr. Kaye: Well, what was it worth, the turpentine privilege?

Mr. Ensign: I don't know, sir.

Mr. Kaye: What did you get for that which you sold?

Mr. Ensign: I don't understand your question.

Mr. Kaye: For the turpentine privilege that you did sell what did you get?

Mr. Ensign: I don't remember that we made any sales of turpentine privileges. If we did, it was a conditional sale—with the privilege of us buying it back. Perhaps we did sell a lot or two, but we had to buy it back because we wanted immediate use.

Mr. Kaye: What was a fair value or price for the turpentine privilege on that land?

Mr. Ensign: I don't know.

Mr. Kaye: Do you know what it brings per crop of 10,000 boxes?

Mr. Ensign: I only know in a general way.

Mr. Kaye: Don't you know it brings $200.00 per crop?

Mr. Ensign: I could not give you any accurate information on that subject.

Mr. Kaye: After you had cut the timber did you utilize the land for cross-ties, or did you sell that privilege?

Mr. Ensign: No, sir. We didn't do either.

Mr. Kaye: Are the cross-ties still on the land?

Mr. Ensign: We sold the land some time ago.

Mr. Kaye: When you sold the land for agricultural purposes, what did the land bring?

Mr. Ensign: My recollection is that we got an average of $2.50 an acre.

Mr. Kaye: Mr. Ensign, lands in that section are increasing very rapidly, for agricultural and other purposes, are they not?

Mr. Ensign: I think they are all over the South.

Mr. Kaye: They are good lands for agricultural purposes?

Mr. Ensign: That varies according to the occupation of the man who wants the land. I don't want it.

Mr. Kaye: You are not in the producing business?

Mr. Ensign: No, sir.

242 Mr. Kaye: What do you figure the stumpage at?

Mr. Ensign: We figure the stumpage at what it would actually cost.

Mr. Kaye: How much do you allow for stumpage?

Mr. Ensign: That varies from 50 cents to $2.00 an acre.

Mr. Kaye: In handling your business you have to make some allowance for stumpage, don't you?

Mr. Ensign: Yes, sir.

Mr. Kaye: What did you figure that at in the balance-sheet?

Mr. Ensign: Actually what we paid for it.

Mr. Kaye: Well, it varied, didn't it, on some lots?

Mr. Ensign: Yes, sir.

Mr. Kaye: And you kept a separate account on each particular lot of timber and figured the actual stumpage on it?

Mr. Ensign: Yes, sir. We figure how much we cut out in a year.

Mr. Kaye: Could you tell the Commission what that was?

Mr. Ensign: It varied in different years and at different plants.

Mr. Kaye: Suppose you got an order for car sills and

243 you wanted to figure whether you could accept the price offered; how would you figure stumpage? You would have to figure the stumpage to see whether you were coming out whole or would lose money?

Mr. Ensign: We always take the best price we can get for car sills, and do not consider stumpage at all.

Mr. Kaye: To coast markets, taking the larger stuff, you would have to figure on your stumpage in order to know whether to accept or reject an order?

Mr. Ensign: No, sir at the end of the year we would find out what our stumpage was.

Mr. Kaye: What did you say you sold those lands at for agricultural purposes?

Mr. Ensign: An average of $2.50 an acre.

Mr. Kaye: Have you sold many?

Mr. Ensign: Not very much.

Mr. Kaye: And those you retain are going up in value, are they not; the demand is increasing and the price is going up?

Mr. Ensign: We have sold only a small quantity.

Mr. Kaye: Will you kindly give your statements of movement for April, May and June, 1903?

Mr. Ensign: I haven't them.

Mr. Kaye: For 1902?

Mr. Ensign: I haven't them.

Mr. Kaye: You made up a statement for the first three months of 1902 and the first three months of 1903—for the first three months of this year. Now, the increased rate went into effect about the 1st of July, didn't it, on the western movement?

Mr. Ensign: I think it was in June some time.

Mr. Kaye: In June or the first of July. How about the movement of stuff under the old rate for the months of April, May and June? How did that compare with the prior three months?

Mr. Ensign: My recollection is that it was about the same. We moved what we had.

Mr. Kaye: Was it about the same amount that you had in the previous year, 1902, and 1901?

Mr. Ensign: I am referring in my statement to the Ensign Lumber Co. They were not in business in 1901 and 1902.

Mr. Kaye: Is it not true, Mr. Ensign, that in anticipation of the increased rate going into effect that there was rather a heavy movement just before June 22d through the West—to the West? Was it not the natural desire on the part of lumber shippers and buyers to move their lumber as rapidly as they could and get the advantage of the old rate?

Mr. Ensign: I think there was a natural desire on the part of the railroads to have them move it.

Mr. Kaye: To have to haul it at a lesser rate and not the higher rate?

Mr. Ensign: I don't know what the cause was. I know it was the only time we had sufficient cars.

Mr. Kaye: Can you give me a statement for April, May and June, 1902 and 1903?

Mr. Ensign: Yes, sir; I could do it.

Mr. Kaye: How long would it take you?

Mr. Ensign: I suppose it would take me a day or two—three or four days.

Mr. Kaye: When you wholesale lumber you go to these mills and place these orders, purchase on your own account, and then you sell to the western or eastern markets?

Mr. Ensign: Yes, sir.

Mr. Kaye: Do you find any variation in price when you thus buy from what you do as a manufacturer selling to the West? What difference is there in it?

Mr. Ensign: Well, as a wholesaler I sell the output of the mills I am interested in; and I add a dollar a thousand; and if I buy from the outside, I try to get a dollar a thousand.

Mr. Kaye: You get a dollar a thousand when you go in as a buyer?

Mr. Ensign: I try to.

Mr. Kaye: And you get a dollar a thousand when you manufacture the stuff yourself and pay the rate?

Mr. Ensign: All mills sell generally through the brokers. They have no way to sell except through brokers.

Mr. Kaye: I understood you to say that the market had gone off in the West for this class of stuff from $1.00 to $1.50 per thousand?

Mr. Ensign: Yes, sir; on certain classes of material.

Mr. Kaye: Now, that is not true of all classes of material, then?

Mr. Ensign: I don't know, sir.

Mr. Kaye: On what classes of material has there been a reduction in the price offered in the West?

Mr. Ensign: Car material.

Mr. Kaye: Any other classes? Have the other classes kept up?

247 Mr. Ensign: I could not tell you. The conditions are such that we are not able to get into the market with any other class of stuff.

Mr. Kaye: Is it not true that the western market is pretty well stocked up, and recently they have not been in the market for buying Georgia stuff? Is that not the condition that now exists?

Mr. Ensign: I do not think car companies ever carry anything in stock—not to amount to anything.

Mr. Kaye: Is it not true that the demand don't exist for the stuff and that it did a little while ago—that there is a temporary cessation in demand?

Mr. Ensign: We have plenty of inquiries for it.

Mr. Kaye: If the market has gone off $1.00 to $1.50 a thousand, that is more than the increase in the rate? How do you account for the difference?

Mr. Ensign: There has been a falling off in price of $1.00 to $1.50 a thousand.

Mr. Kaye: I understand; but that is more than the increase in the freight rate.

Mr. Ensign: My experience in buying in July, August and
248 September was that the market was always dull in car material.

Mr. Kaye: So that at that period of the year you may expect that the price will go off a little?

Mr. Ensign: In car material, I think. My conditions are such that I cannot handle anything.

Mr. Kaye: You find that in that item it has gone off in price this year as in previous years?

Mr. Ensign: It has not always gone off in previous years.

Mr. Kaye: It has gone off in some of the previous years?

Mr. Ensign: In 1895, 1896, 1897, and 1898. It has not since.

Mr. Kaye: Take the $1.50. You say it has gone off $1.50. That is more than the increase in freight rate.

Mr. Ensign: I didn't say it went off $1.50.

Mr. Kaye: I understood you to say from $1.00 to $1.50.

Mr. Ensign: About that.

Mr. Kaye: Say it has gone off $1.50 a thousand; how do you account for that difference over and above the increase in freight rate?

Mr. Ensign: I think the car companies are using other material, other woods.

Mr. Kaye: But they would buy at $1.50 per thousand feet as, would they not? If you take it at $1.50 per thousand feet as, then there would be some other element entering into the question beside the difference in freight rate?

Mr. Ensign: Yes, sir.

Mr. Kaye: What is that difference?

Mr. Ensign: Competition with other woods that they are constituting for yellow pine.

Mr. Kaye: They can get plenty of those woods, can't they, Mr. Ensign; the woods they use are nearer home? Take the Norway pine: they can get it from Michigan, right near at hand?

Mr. Ensign: They do get it.

Mr. Kaye: And there is ample of it in the market?

Mr. Ensign: I don't know.

Mr. Kaye: Can they use that class of stuff for car sills?

Mr. Ensign: They do; yes, sir.

Mr. Kaye: They can use it?

Mr. Ensign: They do; yes, sir.

Mr. Kaye: And do use it?

Mr. Ensign: Yes, sir.

Mr. Kaye: Well, if that class of material is accessible and can be used, and is competing with Georgia and Mississippi pine, how is it that this difference exists over and above the freight rate? You will admit that the Georgia pine is a better article put on its merits: that the Georgia pine is better than other substitutes?

Mr. Ensign: It is supposed to be.

Mr. Kaye: If it is a better article, and the price has gone off more than the increase in freight rate, then why that difference? What condition has created that?

Mr. Ensign: The advance in freight rate.

Mr. Kaye: If the advanced freight rate only carries 90 cents higher, where has the other ten to sixty cents gone to?

Mr. Ensign: I suppose it is the condition of the market.

Mr. Kaye: Has there been a similar drop in the price of the competing article? Has it dropped too? Or has it maintained its price?

Mr. Ensign: I do not think it has dropped.

251 Mr. Kaye: What difference is there in value that the market will pay for Georgia pine for car sills than for the other woods? How much more will the manufacturer pay for the Mississippi material than for the Georgia material?

Mr. Ensign: I do not think it makes any difference with the manufacturer.

Commissioner Prouty: What do you mean by Norway pine, Mr. Ensign?

Mr. Ensign: I mean the pine that comes principally from northern Michigan, Wisconsin and from across the Lakes.

Commissioner Prouty: Is that the kind of pine they have been cutting up in that country for their standard pine?

Mr. Ensign: They have always been cutting more or less of it, I understand. I never dealt in the northern woods.

Commissioner Prouty: Is that the kind of pine out of which they make house finishings, doors, and blinds and sash?

Mr. Ensign: I don't know to what extent that pine does enter into it.

252 Mr. Kaye: Has it not been your knowledge that the car manufacturers of the West in their specifications generally call for Georgia pine for car sills, and that the railroads, likewise, in buying those manufactured articles insist on Georgia pine being used for car sills?

Mr. Ensign: Certain railroads have always specified Georgia pine, but they have not made any difference whether it was shipped from Georgia, Alabama or Mississippi, as a rule. There are certain railroads that use other woods, especially those roads centering in Chicago.

Mr. Kaye: But the southern roads have almost uniformly required the use of this southern pine, whether it be Georgia, Mississippi or Alabama, by the car manufacturers of the West, have they not?

Mr. Ensign: I do not know to what extent they would insist. They prefer it.

Mr. Kaye: It has been your knowledge that such has been the rule of business, has it not?

Mr. Ensign: Often railroads specify yellow pine.

Mr. Kaye: That is all.

The Chairman: Any further questions to be asked Mr Ensign?

253 Mr. Baxter: I would like to ask a question. Mr. Ensign, what was the name of the manufacturing plant in which you had an interest?

Mr. Ensign: The Ensign Manufacturing Company. I was the southern buyer for it.

Mr. Baxter: But down in Georgia here, I thought you said you were interested in some lumber-manufacturing concern down here?

Mr. Ensign: The Ensign-Oskamp Company.
Mr. Baxter: Can you furnish us the number of cars shipped from that company's plant to the western market for the months of April, May, June, July, August and September for the years 1903, 1902, 1901 and 1900?
Mr. Ensign: Yes, sir.
Mr. Baxter: Will you kindly do so?
Mr. Ensign: I think I can get them for you. It will take some little time.
Mr. Baxter: Will you send it to the secretary of the Commission?
Mr. Ensign: Yes, sir.

(Same is hereto annexed and marked "Exhibit No. 1 to Mr. Ensign's testimony.")

Mr. Baxter: That is all.
The Chairman: Do you understand precisely what Mr. Baxter asks you to prepare and furnish?
Mr. Ensign: Yes, sir; he wants the statements for April, May, June, July, August and September for the years 1900, 1901, 1902 and 1903.
Mr. Baxter: Yes; those four years.
Com'r Prouty: How long after a tree is boxed before it must be cut down?
Mr. Ensign: It commences to deteriorate at once.
Com'r Prouty: As a lumberman, if you own a forest that has been boxed, how long before you must cut that up?
Mr. Ensign: As I say it deteriorates every year until after a period of 6 or 8 or 10 years it is worthless.
Com'r Prouty: Then, you would say it must be cut within six or eight years after it is boxed?
Mr. Ensign: Yes, sir.
Com'r Prouty: What part of the yellow-pine lumber in Georgia has been boxed up to the present time?
Mr. Ensign: Practically all of it—90 per cent.
Mr. Baxter: On an average, how long has that boxing been done? Of course, it is different on different lands, but take an average, how long would you say that 90 per cent. of the lumber has been boxed?
Mr. Ensign: As a rule all saw-mill people try to follow the turpentine people if they can.
Mr. Baxter: Has it been boxed an average of 4 or 5 years, or 6?
Mr. Ensign: I should say an average of 4 or 5 years.
Mr. Kaye: A great deal of it was boxed 15 years ago and is standing today, was it not?
Mr. Ensign: Not in my section of country.
Mr. Kaye: Well, in other sections?

Mr. Ensign: I do not know. I only travel over the State on the railroads.

Mr. Kaye: You see lots of timber being back-boxed now, don't you?

Mr. Ensign: Very little. As a rule, none of the saw-mills in our territory allow it to be back-boxed.

Mr. Kaye: You know there is timber being back-boxed today in Georgia?

Mr. Ensign: Not of my own knowledge now. I have seen some that has been back-boxed.

Mr. Kaye: That is all.

The Chairman: That seems to be all.

The witness was excused.

(Exhibit No. 1 to Mr. Ensign's testimony not furnished.)

BOOK TOO LARGE FOR FILMING

56 W. B. HUTCHINSON,

witness on behalf of the complainants, having been duly sworn, stified as follows:

Mr. Boatright: Mr. Hutchinson, please state your occupation and ace of business?

Mr. Hutchinson: I am secretary of the Higgston Lumber Company of Pelham, Georgia.

The Chairman: What line of road are you on?

Mr. Hutchinson. The Atlantic Coast Line.

Mr. Boatright: Can you identify that letter? (Handing letter to itness.)

Mr. Hutchinson: Yes, sir.

Mr. Boatright: What concern is it from and when was it reived?

Mr. Hutchinson: It is from the Haskell & Barker Car Company d was received a few days ago.

Mr. Boatright: I would like to offer that letter in evidence.

(The same is hereto annexed and marked "Exhibit No. 1 to Mr. utchinson's testimony.")

Mr. Baxter: I do not think under the strict rules it would 7 be evidence, but I do not object to it.

Mr. Boatright: I would like to have this letter read and it go in. It is not very lengthy.

The Chairman: Very, well.

Mr. Hutchinson (reading letter):

"MICHIGAN CITY, IND., *October* 22, 1903.

Higgston Lumber Co., Pelham, Ga.

"GENTLEMEN: Referring to yours of October 16th addressed to r Mr. Acker, who has in turn referred it to us.

"I write to say that while our business relations with your firm ve been very pleasant, yet the existing conditions in the matter of ight rate have made it absolutely necessary, in order to protect rselves, for us to go to other markets, in a great measure, for our r timbers and lumber. You well know that the arbitrary raise 2 cents per 100 pounds made last spring by the railroads in the uth placed a burden upon us, as well as upon all manufacturers aking use of southern pine material. The loss to us accruing

from this raise amounts to many thousands of dollars. On
258 more recent work taken by us since this raise we have sought other markets for our lumber, and until the railroads come to a realizing sense of the injustice, and put the rate back again, we shall be compelled to buy elsewhere.

"We regret exceedingly being compelled to take this position, yet self-preservation is the first law of nature, and hence we come to the parting of the roads.

"Yours truly,

N. P. ROGERS,
"Sec'y & Treas."

Mr. Boatright: What can you say as to the quantity of lumber or the proportion of the output of your company sold to the Haskell & Barker Company—about what is the output?

Mr. Hutchinson: From thirty to thirty-five thousand feet, dimension stock; that is, not including boards.

Com'r Prouty: Does that make your entire output 50,000 feet?

Mr. Hutchinson: Yes, sir.

Mr. Boatright: What proportion of this did formerly move to western points?

Mr. Hutchinson: Prior to June, we sold more than 50 per
259 cent. of our product to the Haskell & Barker Company.

Mr. Boatright: What proportion have you been able to sell them since?

Mr. Hutchinson: For the past 3 or 4 months, on account of this raise, we are just filling old orders. When we get those up, we do not know what we will do.

Mr. Boatright: Do you know anything of the prices received?

Mr. Hutchinson: No, sir; that is not in my department.

Mr. Boatright: That is all.

Cross-examination:

Mr. Baxter: Will the books of your company show the number of cars per month shipped for April, May, June, July, August and September to the west for the years 1903, 1902, 1901 and 1900?

Mr. Hutchinson: I could not say. I have not been connected with the firm more than the last ten months, and the concern, I believe, was started in 1901.

Mr. Baxter: If your books will show those facts, will you furnish a statement of those facts as evidence in this case?

Mr. Hutchinson: Yes, sir.

260 Mr. Baxter: And send it to the secretary of the Commission?

Mr. Hutchinson: Yes, sir; if I can get it up. It was in the hands of a receiver one year.

Mr. Baxter: Well, as far back as you can.
Mr. Hutchinson: Yes, sir.

(The statement is hereto annexed and marked "Exhibit No. 2 to Mr. Hutchinson's testimony.")

Mr. Baxter: That letter indicates that the firm from whom you received it had ceased to buy from you and was going to seek other markets?
Mr. Hutchinson: Yes, sir.
Mr. Baxter: Have you any information from them as to what markets they are now obtaining their lumber from?
Mr. Hutchinson: No, sir.
Mr. Baxter: Have you traveled in that part of the country since the increase of rate?
Mr. Hutchinson: Which part of the country?
Mr. Baxter. In the West.
Mr. Hutchinson: No, sir; I have not.
Mr. Baxter: You do not know, then, in any way from what source that firm is now procuring its lumber?
391 Mr. Hutchinson: No, sir.
Mr. Baxter: Do you know it is procuring any lumber?
Mr. Hutchinson: No, sir; I know they are running.
Mr. Baxter: Are they running on accumulated stock?
Mr. Hutchinson: I do not know.
Mr. Kaye: Did you write a letter October 16th to Mr. Acker?
Mr. Hutchinson: No, sir.
Mr. Kaye: Who wrote it?
Mr. Hutchinson: The president, Mr. D. M. Rogers.
Mr. Kaye: Have you in your records a copy of that letter?
Mr. Hutchinson: I think so.
Mr. Kaye: Will you produce it and file it with your testimony?
Mr. Hutchinson: If I can find it. I was sick in the hospital when that letter was written.

(The letter is hereto annexed and marked "Exhibit No. 3 to Mr. Hutchinson's testimony.")

Mr. Kaye: Are you working on lands you own or upon leased stumpage?
Mr. Hutchinson: Leased stumpage.
392 Mr. Kaye: What did you pay for your stumpage?
Mr. Hutchinson: I am not in a position to tell. Most of it was bought before I came there.
Mr. Kaye: You have no idea?
Mr. Hutchinson: No, sir.
Mr. Kaye: What position do you hold with the company?

Mr. Hutchinson: Secretary.
Mr. Kaye: Who figures on the selling price of lumber?
Mr. Hutchinson: The president.
Mr. Kaye: You have nothing to do with that?
Mr. Hutchinson: No, sir.
Mr. Kaye: You make no calculations as to costs?
Mr. Hutchinson: No, sir.
Mr. Kaye: You do not know what it costs you to make lumber?
Mr. Hutchinson: No, sir.
Mr. Kaye: How much lumber per acre do you get off of those lands?
Mr. Hutchinson: I do not know.
Mr. Kaye: Whose business is it to see to the cut of logs?
Mr. Hutchinson: Mr. Rogers.
263 Mr. Kaye: As superintendent what connection have you with saw-mill operations?
Mr. Hutchinson: I am not superintendent; I am secretary.
Mr. Kaye: What difference per thousand does the 2-cent rate make from your mill to the Ohio River crossings?
Mr. Hutchinson: That I have not figured out.
Mr. Kaye: Are you prepared to tell this Commission that if your mill would allow the 2 cents per hundred pounds, you could sell all the lumber wanted by this concern?
Mr. Hutchinson: I think so. The president told me the other day that he had taken a rush order, but had to allow the 2 cents difference.
Mr. Kaye: There is plenty of demand in the West?
Mr. Hutchinson: I do not know about that at all.
The Chairman: Anything further of this witness?
Com'r Clements: Do you know what wood or lumber is substituted for the Georgia pine formerly bought of you or where they get it?
Mr. Hutchinson: No, sir. I have understood that they are trying to get Washington fir shipped from Seattle.
The Chairman: You understand, Mr. Hutchinson, that
264 you are to furnish the statement by months that Mr. Baxter asked for as far as you can conveniently?
Mr. Hutchinson: Yes, sir.
Mr. Wimbish: I will ask in that connection that, as to shipments made since July 1st, 1903, he will show what shipments were made on orders taken prior to that.
The Chairman: He may do so.
Mr. Kaye: You have taken orders since July 1st?
Mr. Hutchinson: A few, I think.
The Chairman: You are also to furnish a copy of the letter to which the one produced here is an answer.

Mr. Hutchinson: If I can find it; yes, sir. It was written while I was sick.

The Chairman: You keep copies of your letters?

Mr. Hutchinson: Yes, sir.

The Chairman: Well, send us a copy of the letter to which this was a reply.

Mr. Hutchinson: Yes, sir.

The Chairman: You are excused.

264*a* **Exhibit No. 1 to Mr. Hutchinson's Testimony.**

(See p. 256.)

John H. Barker, President. N. P. Rogers, Sec'y & Treas.

Established 1852. Incorporated 1871.

Haskell & Barker Car Company.

MICHIGAN CITY, IND., *October* 22, 1903.

Higgston Lumber Co., Pelham, Ga.

GENTLEMEN: Referring to yours of October 16th addressed to our Mr. Acker, who has in turn referred it to us.

I write to say that while our business relations with your firm have been very pleasant, yet the existing conditions in the matter of freight rate have made it absolutely necessary, in order to protect ourselves, for us to get to other markets, in a great measure, for our car timbers and lumber. You well know that the arbitrary raise of 2 cents per 100 pounds made last spring by the railroads in the South placed a burden upon us, as well as upon all manufacturers making use of southern pine material. The loss to us accruing from this raise amounts to many thousands of dollars. On more recent work taken by us since this raise we have sought other markets for our lumber, and until the railroads come to a realizing sense of the injustice, and put the rate back again, we shall be compelled to buy elsewhere.

We regret exceedingly being compelled to take this position, yet self-preservation is the first law of nature, and hence we come to the parting of the roads.

Yours truly,

N. P. ROGERS,
Sec'y & Treas.

(Exhibit No. 2 and Exhibit No. 3 to Mr. Hutchinson's testimony not furnished.)

E. H. HAMMOND,

265 a witness on behalf of the complainants, having been duly sworn, testified as follows:

Mr. Boatright: Mr. Hammond, please state to the Commission your occupation and place of business.

Mr. Hammond: I am manager of the Babcock Brothers Lumber Company, a Pennsylvania concern incorporated under the laws of Georgia and located at Babcock, Georgia.

Mr. Boatright: About what investment has your company in the saw-mill business?

Mr. Hammond: January 1st, they had $520,000. Since that we have invested about $40,000.

Mr. Boatright: What does the recent investment consist of?

Mr. Hammond: The erection of a new mill.

Mr. Boatright: When was the erection of that mill begun and with what special purpose, if any?

Mr. Hammond: It was begun in February of this year with the view of getting into the western market.

Mr. Boatright: Was that before you had any notice of the advance of rates?

266 Mr. Hammond: Yes, sir; it was in February.

Com'r Clements: What road are you located on?

Mr. Hammond: The Georgia, Florida & Alabama, a road running from Tallahassee to Cuthbert, Georgia. It takes a one-cent arbitrary to the Atlantic Coast Line.

Mr. Boatright: Would or would not that mill have been built if you contemplated this advance of rates?

Mr. Hammond: Not a mill of that character. We would have put in a board mill, if we desired to increase our capacity.

Mr. Boatright: This mill was especially for dimension stuff?

Mr. Hammond: Yes, sir.

Mr. Boatright: Have you had business for that mill since its completion?

Mr. Hammond: No western business.

Mr. Boatright: What effect, if any, has the increase in rate to the West had on your business?

Mr. Hammond: Well, of course the rate applies to our territory as well as the West. It might be considered the West. It is the Buffalo-Pittsburg points that take the same advance as the 267 West. Where it has hurt us most is, we are in direct competition with the North Carolina and Virginia pine and hemlock in Pennsylvania, and as the rate was not advanced there, it means that difference in the price of lumber to us.

Mr. Boatright: You mean that in every instance you pay an additional 2 cents?

Mr. Hammond: Yes, sir; we have to make a delivered price to compete with the North Carolina and Virginia trade.

Com'r Prouty: Through what gateway does it go?

Mr. Hammond: The eastern gateway, through Richmond,—sometimes via Pinner's Point, when it goes to New York or Boston, but they are what are known as the Buffalo-Pittsburg points.

Com'r Prouty: Those rates are made on the Ohio river?

Mr. Hammond: Yes, sir.

Mr. Boatright: What can you say in reference to the increased cost of the manufacture of lumber as compared with the increase of price, giving illustrations.

Mr. Hammond: I would like to understand you a little more clearly. Do you mean labor or material?

Mr. Boatright: Anything in which there has been an increase.

268 Mr. Hammond: As a whole?

Mr. Boatright: As a whole.

Mr. Hammond: I would consider that there was an increase of two dollars a thousand in the last seven years.

Mr. Boatright: What has been the increase in the selling price of lumber as compared with that?

Mr. Hammond: Well, the selling price of lumber now in our particular line is fully as good as the increase in labor and material.

Com'r Prouty: That is, it has advanced at least two dollars a thousand?

Mr. Hammond: Yes, sir; that is in this particular line. Understand me, the business we are doing is a finished business. We kiln dry and work everything ready to go into a building. The advance on that is greater than what is known as dimension stuff—bridge timbers, car decking, etc.

Com'r Prouty: How much of that advance has taken place the last two years?

Mr. Hammond: It has not any taken place the last two years. I do not think prices are as good as two years ago.

Com'r Prouty: How much have they declined?

269 Mr. Hammond: Well, I do not know—not over a dollar. It depends entirely on the demand. Now, we carry quite a stock. We carry 2,000,000 feet of lumber in stock in a shed. That is what is known as regular stock. There are times when a man will want a car very quick. Then we are able to get a better price than we would otherwise, but as a general thing the price of lumber is about like it was two years ago—possibly a dollar less.

Mr. Boatright: You can have the witness.

Cross-examination:

Mr. Baxter: Do the books of your company show the number of cars shipped to the West during the months of April, May, June, July, August and September?

Mr. Hammond: They would show, but our percentage to the West, as I stated, is very small.

Mr. Baxter: I just want them as a matter of comparison.

Mr. Hammond; Certainly.

Mr. Baxter: I would like to have you file with the secretary of the Commission for use in this case a statement showing the number of cars moved from your plant to the West for the months of April, May, June, July, August and September, respectively, for the years 1903, 1902, 1901 and 1900, respectively.

Mr. Hammond: This company has only been in the business since February, 1902, as far as the manufacturing business is concerned. Prior to that time I was connected with the Flint River Lumber Company.

Mr. Baxter: Then you could not be of service.

Mr. Kaye: Of your investment of $520,000, how much was in timber land?

Mr. Hammond: About $300,000.

Mr. Kaye: How many acres did that represent?

Mr. Hammond: About 40,000.

Mr. Kaye: Did you buy the land outright?

Mr. Hammond: Some we did and some we did not.

Mr. Kaye: How much did you buy outright?

Mr. Hammond: Well, I could not be accurate. I would say 30,000 acres.

Mr. Kaye: How much of that was round timber?

Mr. Hammond: Seventeen thousand acres.

Mr. Kaye: What is the turpentine privilege worth?

Mr. Hammond: It has no price, so far as we are concerned.

Mr. Kaye: You will not allow it to be turpentined?

Mr. Hammond: No, sir.

Mr. Kaye: You do not know of any difference in price of lumber that has been turpentined and that that has not?

Mr. Hammond: We consider that there is at least a dollar a thousand.

Mr. Kaye: How do you reach that conclusion?

Mr. Hammond: We make a specialty of rift, taken from the butt of the log; the pitch settles at the butt of the log, which is the best cut of the tree, and the pitch lowers the grade.

Mr. Kaye: As a general rule the average millman gets as much from the bled timber as from the round timber, does he not?

Mr. Hammond: It depends on what he puts it in. If he puts it in dimension stuff there may be not much difference. Boxed tim-

ber weighs more than round timber on account of this pitch I spoke of.

Mr. Kaye: Do you cut your timber so close that there is nothing left for cross-ties?

Mr. Hammond: Yes, sir.

Mr. Kaye: You utilize everything on the land?

272 Mr. Hammond: Everything that will square 6 by 6, 16 feet long.

Mr. Kaye: You have not done much business in the western market?

Mr. Hammond: Not unless you call Pittsburg West.

Mr. Kaye: I mean Ohio River crossings.

Mr. Hammond: No, sir.

Mr. Kaye: Therefore, you were entering that as a new field.

Mr. Hammond: Yes, sir.

Mr. Kaye: It was not to utilize the smaller class of your cut that you wanted to go there, was it?

Mr. Hammond: No, sir; it was to increase our business in both markets, to get into a new field.

Mr. Kaye: It was because you understood it to be a very profitable market and you wanted to enter that also?

Mr. Hammond: Yes, sir; we thought the demand at that time would justify the increase.

Mr. Kaye: You had a market in the East for everything you could cut?

Mr. Hammond: We disposed of that and several million feet besides.

273 Mr. Kaye: You were buyers from other mills?

Mr. Hammond: In one sense of the word. I was with Babcock & Company, who are wholesalers.

Mr. Kaye: What did you make on the lumber you shipped East per thousand feet?

Mr. Hammond: It depends on circumstances.

Mr. Kaye: Give some circumstance.

Mr. Hammond: We try to make a dollar. Sometimes we would not make a cent and sometimes over a dollar.

Mr. Kaye: What do you cut a day?

Mr. Hammond: Our present output is 3,000,000 feet a month.

Mr. Kaye: This mill you are putting up will cut how much more?

Mr. Hammond: That includes that mill.

Mr. Kaye: Before that mill was completed, how much did you cut?

Mr. Hammond: A million and a half.

Mr. Kaye: In figuring one dollar a thousand on your lumber, what do you allow for stumpage?

Mr. Hammond: We figure boxed timber at a dollar and virgin

timber two dollars. We figure what it would cost to replace
274 it.

Mr. Kaye: How many thousand feet an acre do you allow?

Mr. Hammond: Cutting close as we do, I think about 5,000 feet.

Mr. Kaye: What do you allow for the value of the land when it is left?

Mr. Hammond: Whatever we can get.

Mr. Kaye: What have you sold land for?

Mr. Hammond: We have not sold any.

Mr. Kaye: What is such land in that section selling for?

Mr. Hammond: The people are so poor there they are not buying any.

Mr. Kaye: Is not that a good agricultural country?

Mr. Hammond: No, sir; it is very sandy.

Mr. Kaye: There are not many swamps?

Mr. Hammond: Very few swamps, I think.

Mr. Kaye: You are on the Georgia, Florida & Alabama railroad?

Mr. Hammond: Yes, sir.

Mr. Kaye: And paying a higher rate than from the trunk lines?

Mr. Hammond: Yes, sir.

Mr. Kaye: And your firm has been prosperous and has
275 been making money?

Mr. Hammond: We do not know whether we have or not. We have to take into consideration that we knock off 10 per cent. every year for wear and tear on the plant. We carry insurance and must pay interest on the investment before we consider that we make anything.

Mr. Kaye: You have made up a balance-sheet since you started, have you not?

Mr. Hammond: Yes, sir; our balance-sheet last year justified us in doubling our capacity.

Mr. Kaye: That is all.

Com'r Prouty: Is there any timber accessible to your mill that is not already owned by some mill?

Mr. Hammond: Yes, sir.

Com'r Prouty: How much of it?

Mr. Hammond: Possibly 15,000 acres interwoven with ours.

Com'r Prouty: How long with the timber you have now can you stock your mill to the present capacity?

Mr. Hammond: Eight to ten years, with what is interwoven with us.

Com'r Prouty: That will stock it eight or ten years?

276 Mr. Hammond: Yes, sir.

The Chairman: Does your company own, or is it interested in any logging company?

Mr. Hammond: We do our own logging only.

The Chairman: Are you directly on the tracks of the Georgia & Alabama?

Mr. Hammond: No, sir; we are 3 miles east of their road. We have a connecting line. We connect with them.

The Chairman: Is your connecting line owned by your company?

Mr. Hammond: Yes, sir.

The Chairman: And used exclusively in its business?

Mr. Hammond: In this business; yes, sir.

The Chairman: Do you get a share or division of the through rate?

Mr. Hammond: No, sir.

The Chairman: Do you get any allowance for switching?

Mr. Hammond: No allowance whatever.

The Chairman: What is your rate to Pittsburg?

Mr. Hammond: Our rate to Pittsburg is 33 cents.

The Chairman: That is the rate from the nearest station on the Georgia & Alabama road to Pittsburg?

277 Mr. Hammond: Any station on their line.

The Chairman: You have had to build a road 3 miles long?

Mr. Hammond: To get to their tracks; yes, sir.

The Chairman: And you get no allowance for that road?

Mr. Hammond: None whatever.

The Chairman: By way of arbitrary, switching charge, or anything else?

Mr. Hammond: Nothing at all.

The Chairman: That seems to be all. You are excused.

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILMIN

278 W. S. WEST,

a witness on behalf of the complainants, having been duly sworn, testified as follows:

Mr. Boatright: Please state your occupation and place of business.

Mr. West: I am principally engaged in the saw-mill business. My home is Valdosta, Georgia, at the intersection of the Atlantic Coast Line and the Georgia Southern & Florida railroad.

Mr. Boatright: In what mills and at what locations are you engaged?

Mr. West: I am interested in a mill 15 miles below Valdosta on the Valdosta Southern railroad and I own a mill below Ocala, Florida, about 17 miles.

Mr. Boatright: To what points do you make shipments from your Florida mill?

Mr. West: The product of my Florida mill goes principally to Fernandina, Jacksonville and Tampa.

Mr. Boatright: Does any of your product, or has it gone West to Ohio River crossings or beyond?

Mr. West: No, sir.

279 Mr. Boatright: Why not?

Mr. West: Well, the freight, even before the increase, was too high. We could not ship on it.

Mr. Boatright: To what point does your Georgia mill make shipments?

Mr. West: Well, the best stock principally goes to the western market, or has hitherto.

Mr. Boatright: Does that product still move to the West since the increase of rates?

Mr. West: Really, I do not know what per cent. moves to the West. It is a mill I have nothing to do with the management of, but I am simply interested in it. I know from the superintendent there, who is a partner in the business, that we have made a contract with the brokers, as we usually do, for that product at something less since this increased rate.

Mr. Boatright: How does the price since the increase of rates compare with the price you were receiving before?

Mr. West: I could not state from my own knowledge. I understand there has been a reduction in the price. I think the contract made by the mill, if I recollect right, some time after the put-
280 ting into effect of this new rate was on dressed stock and that is a stock, you know, that weighs about half what the rough green lumber weighs—some 33 to 40 cents less per thousand.

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280 ting into effect of this new rate was on dressed stock and that is a stock, you know, that weighs about half what the rough green lumber weighs—some 33 to 40 cents less per thousand.

Mr. Boatright: Are you acquainted with the competition met by yellow-pine lumber in the West?

Mr. West: I am not.

Mr. Boatright: What can you say as to the equipment required by the railroads in transporting lumber on flat cars?

Mr. West: Well, the flat car is the cheapest car built by the railroads for transportation. According to the Master Car Builders' rules, you are required for shipping West—and this requirement does not prevail altogether in shipping to the seaboard—but shipping West you are required to use a 4 by 5 standard and two binders, one on either side of the standards, 1 by 6.

Mr. Boatright: What about the bearing pieces?

Mr. West: The bearing pieces must be at least 8 by 8 and as high as 10 by 10.

Mr. Boatright: What quality of lumber is required?

Mr. West: Well, for the standards they must be straight grain and without knots that impair the strength, and that means practically first-class lumber.

281 Mr. Boatright: About what is the average value of the material used and the labor of putting it in place per car?

Mr. West: I would say that was about $2.50 or $3.

Mr. Boatright: Do you pay freight on the increased weight?

Mr. West: Yes, sir; there is no reduction whatever made by the railroads for this increased weight.

Mr. Boatright: About what is the average weight of such equipment?

Mr. West: Well, it will approximate about 900 pounds—perhaps 900 to 1,000 with the bearings required on the cars.

Mr. Boatright: Take the witness.

Cross-examination:

Mr. Kaye: How long have you been in the saw-mill business?

Mr. West: My first experience in the saw-mill business commenced about 26 or 27 years ago. I have not been in it continuously, however, ever since that date.

Mr. Kaye: Of recent years your interests have been largely of a saw-mill character?

Mr. West: Yes, sir.

282 Mr. Kaye: You have devoted a great deal of time and thought to the subject?

Mr. West: Yes, sir.

Mr. Kaye: And I may say, I believe, that you have likewise reaped a rich harvest?

Mr. West: I will state here for your information that I think I have made more off of speculation in timber than out of the saw-mill business.

Mr. Kaye: What were timber lands worth six years ago in your section?

Mr. West: Well, it is owing to whether you refer to it in Georgia or Florida. At that date there was quite a difference in price in the two States, and I suppose transportation had something to do with that.

Mr. Kaye: Well, we will take the Georgia lands where you were working.

Mr. West: Well, six years ago I suppose they were worth two dollars to four dollars an acre.

Mr. Kaye: That was in fee-simple—the whole thing, land and timber?

Mr. West: Yes, sir; for four dollars an acre you could buy lands outright.

83 Mr. Kaye: And round timber too?

Mr. West: Yes, sir; you could buy some classes. First-class timber, you would have to pay more than that—if you got the very best class of timber.

Mr. Kaye: What could you get six years ago a body of round timber for, a good location for a saw-mill?

Mr. West: I do not think the location they have in Georgia—which is partly in Georgia and partly in Florida—could be regarded as a first-class location, because it is cut up by farms and other things. That would materially damage it for a first-class saw-mill location.

Mr. Kaye: Well, what did that cost?

Mr. West: That is the place I refer to.

Mr. Kaye: Well, now did you sell the timber privilege on that land?

Mr. West: No, sir; that land, except a part of it, was bought by a gentleman who was interested in the saw-mill business and he reserved the turpentine privilege; that is, a portion of it.

Mr. Kaye: How does that timber range on that land—how much per acre?

Mr. West: I could not tell you, because I have nothing 84 whatever to do with the actual operation of that mill.

Mr. Kaye: You have been over the land?

Mr. West: Yes, sir.

Mr. Kaye: You were over it before it was cut?

Mr. West: Yes, sir.

Mr. Kaye: You have been in the saw-mill business long enough to have some idea what timber will turn out?

Mr. West: Yes, sir.

Mr. Kaye: How much ought that land turn out per acre?

Mr. West: I would say that that land ought to turn out anywhere from 3500 to 4000 feet.

Mr. Kaye: Is that all classes, or just stuff fit for the use of the market.

Mr. West: I should say all classes, cut fairly close.

Mr. Kaye: Leaving nothing for cross-ties?

Mr. West: No, sir; I do not think you could go in there for cross-ties.

Mr. Kaye: In making your calculations on the selling price of lumber, what do you allow for stumpage?

Mr. West: I could not give you any idea. I do not know.

285 Mr. Kaye: Has not a saw-mill man to figure that in before he knows at what price to sell his stuff?

Mr. West: I will not speak of the location near Valdosta, because I do not know anything about that, but I will speak of the one in Florida that I manage and look after myself, and really in my estimating, I pay so much for the land and timber generally. Now and then, I buy the timber without the land and nearly all of it is already boxed, but I really do not bring the stumpage into my estimate. I pay out $20,000 for a lot of land.

Mr. Kaye: Now, when you get through timbering that tract, you have the land for sale, have you not?

Mr. West: Yes, sir.

Mr. Kaye: What does it bring?

Mr. West: I do not know. I have not sold any.

Mr. Kaye: What does similar land around there bring for farming purposes?

Mr. West: For farming purposes?

Mr. Kaye: Yes, sir.

Mr. West: I think anywhere from 50 cents to $1.50 an acre and I will state here that a few portions I may have sold to some neighbors who wanted to exchange for this land adjacent to it.

286 Mr. Kaye: You do not have anything to do with the selling? Your brother handles that?

Mr. West: No, sir; my brother-in-law handles that.

Mr. Kaye: That does not come into the western situation?

Mr. West: No, sir.

Mr. Kaye: The only mill you are interested in in the western situation is the one on the Valdosta Southern?

Mr. West: Yes, sir.

Mr. Kaye: What per cent. of the cut of that mill went West before July 1st of this year?

Mr. West: I could not tell you. We usually sold it through brokers as dressed stock.

Mr. Kaye: Do you know what brokerage is made by the middle man?

Mr. West: About a dollar a thousand, I think.

Mr. Kaye: If you sold that direct to the purchaser in the West you would save that dollar?

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

Mr. West: I am not so certain of that. There are too many slips—there is shortage and inferior material.

Mr. Kaye: What do you think would be the weight per thousand feet?

Mr. West: Take the weight in Georgia, which is based on
287 a three quarter allowance on a 4-inch strip; that makes it 3¼ wide, and I think it runs on dressed, dry-kiln stock about 2,300 pounds to the thousand, or in other words, 2.3 pounds to the foot.

Mr. Kaye: Now, upon the other classes you ship West.

Mr. West: We never ship any rough, dry-kiln boards, but in the rough stock, the rough green stock, that varies somewhat. If you shipped inch plank just green from the saw, it will be more than the dimension stock, because you have to cut it full, and consequently 12 planks stacked one upon another would be more than 12 inches, while if it was a dimension piece it would be 12 inches with perhaps a quarter of an inch allowance for fullness. That would weigh about 4½ pounds.

Mr. Kaye: What do you figure it cost you to produce at your mill near Valdosta lumber for the eastern market?

Mr. West: I could not tell you. I do not know anything about that part of it.

Mr. Kaye: What do you figure as to the western movement?

Mr. West: I have not made any figures on that. I do not look after the details of that business at all on the Valdosta Southern.

288 Mr. Kaye: Is it not true that the greatest item of increase in the cost of lumber production has been the going up of land and stumpage?

Mr. West: No, sir; I do not so regard it. That has been one great item, but the last few years I consider feed and supplies generally—they have advanced disproportionately to the price of lumber.

Mr. Kaye: Very little of your stuff goes to the West, does it not?

Mr. West: I should say somewhere in the neighborhood of 35 to 40 per cent.

Mr. Kaye: You pay a higher rate of freight too than the Tifton mills, don't you? You are in a group that carries 2 cents higher.

Mr. West: The gentleman that testified yesterday, Mr. Gordon, I think, was mistaken as to Valdosta being in Group No. 1. I think the little station above, Mineola, is in Group 1 and Valdosta in Group 2, and I pay a cent. more.

Mr. Kaye: You are below there in Group 2? You pay more than the Tifton rates?

289 Mr. West: Yes, sir; I am in Group 2. I am on a small line there, what you might call a tap line.

Mr. Kaye: Is it not in your opinion true that the owners of timber rights keep well posted on the subject of lumber sales and

rates and that they practically put the price of timber at all that the traffic will bear.

Mr. West: I think this about the owners of timber and timber rights, that they have gone up disproportionately to the advance in lumber and really I think that they are entirely too high.

Mr. Kaye: Is it not in your opinion that the increase of rail rates to the West, thoroughly understood and not a matter of discussion, would have the effect of reducing that much the exorbitant price of timber rates more than anything else?

Mr. West: Well, of course, if the rates continue to advance in the transportation of lumber to the West and elsewhere the inevitable result is that standing timber is obliged to go down. There will be no other alternative.

Mr. Kaye: Don't you think it could go down without any real injustice to the men owning these privileges?

Mr. West: I do not know. I think that the people having
290 the money in it,—I think that the railroads or nobody else has the right to confiscate it.

Mr. Kaye: They do not take the lands; they reduce the prospective profits.

Mr. West: Well, I do not know. It has a value. I think they are too high in proportion to what the millmen make out of it, but it is worth whatever they can get for it to them.

Mr. Kaye: And the higher the market, the more disproportionately the timber lands go up.

Mr. West: Yes, the higher the market the more the timber will bring.

Com'r Prouty: Is there a considerable quantity of timber in Georgia not sold to the millmen?

Mr. West: I do not think so. There are some small lots held by people who decline to part with them and some little in a round condition. Of course, when timber is once tapped and left to be raided by the forest fires, it is very damaging to it. Another thing, the timber most suitable for saw-mill purposes dies out quickest after being tapped.

Com'r Prouty: What part of the yellow pine in Georgia has been tapped?

291 Mr. West: I should suppose 95 per cent., if not a larger percentage, though I could not say definitely.

Com'r Prouty: After yellow pine has been tapped, within what time must it be taken off and worked into lumber?

Mr. West: It continually dies. One feature of it is that that best suited for saw-mill purposes dies first. Very often in boxing the timber, large trees boxed die the first year, and three or four years is the usual time for working. By the Herty system they do not tap the timber but take little cups and catch she resin. They are tacked on the tree.

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Com'r Prouty: Does that kill the tree?

Mr. West: If they gird it, they will.

Com'r Prouty: How much longer can you stock your mill with the timber you have?

Mr. West: I think the Georgia one, the location will be cut out in about 4 years, and the one in Florida in about 8 years.

Com'r Clements: Forest fires do not damage the round timbers so much?

Mr. West: Not much, unless there is a dense growth and fire gets into it in a dry windy season. Another trouble about boxed
202 trees, those faces are there and the fire gets on them and it continually burns. They have two surfaces and the heat from the faces runs into the box.

Com'r Clements: The ordinary fire does not take hold of a round tree?

Mr. West: No, sir.

Com'r Fifer: About how long will the yellow-pine business continue in the State of Georgia?

Mr. West: It will continue for years and years in a small way.

Com'r Fifer: I mean a substantial business?

Mr. West: I suppose anywhere from seven to ten years. I do not suppose it is fully up to what it has been now, although I do not know from statistical information.

Mr. Boatright: You referred to the use of the Herty system not damaging the trees as much as the boxing system. Can you state to what extent the Herty system has been employed in Georgia.

Mr. West: None, scarcely. It was nearly all boxed before the Herty system came along.

Mr. Boatright: Is that system in its experimental stage?
203 Mr. West: Yes, sir.

Mr. Boatright: Do you know any large turpentine manufacturers now using it exclusively?

Mr. West: No, sir; I do not.

Mr. Boatright: That is all.

Mr. Baxter: Col. West, you say you are interested in a mill near Valdosta?

Mr. West: Yes, sir.

Mr. Baxter: Is your interest merely that of a stockholder or are you an officer?

Mr. West: No, sir; I am not an officer. It is a firm and I am a member of the firm.

Mr. Baxter: Will your books show the shipments from that mill to the West for the months of April, May, June, July, August and September for the years 1903, 1902, 1901 and 1900?

Mr. West: Well, I could not state exactly, but I presume they will.

Mr. Baxter: If they do, will you be kind enough to send a state-

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ment as an exhibit to your testimony showing the shipments during those months of those years?

Mr. West: Yes, sir; if it is possible for me to get them up, and I presume the books have been kept in such condition that I
294 can.

Mr. Baxter: If you can, you will?

Mr. West: Yes, sir.

Mr. Baxter: Thank you.

(The statement is hereto annexed and marked "Exhibit No. 1 to Mr. West's testimony.")

The Chairman: That seems to be all.

The witness was excused.

(Exhibit No. 1 to Mr. West's testimony not furnished.)

295 C. W. CANTRELL,

a witness on behalf of the complainants, having been duly sworn, testified as follows:

Mr. Boatright: Mr. Cantrell: Will you please state to the Commission your occupation and place of business, not only at present but for the past several years?

Mr. Cantrell: At present I am manager of the Provident Lumber Company of Cincinnati. Previous to that I was the southern manager at Tifton, Georgia, for 14 months. Previous to that I was connected with the Southern railway.

Mr. Boatright: In what line were you connected with the railway?

Mr. Cantrell: Traveling freight agent.

Mr. Boatright: Are you familiar with the lines composing the various groupings shown in Southern Railway lumber tariff No. 6?

Mr. Cantrell: Yes, sir; in Georgia.

Mr. Boatright: Please state as near as you can the relative quantity of lumber moving from Groups 1 and 2 as shown in that tariff (referring to tariff) as compared with Groups 3 and 4?

296 Mr. Cantrell: Well, Group 2, from Macon, Georgia, to Brunswick, there is a comparatively small portion that comes off of that line. That was in my territory when I was connected with the Southern railway. Very little lumber is moved from the Hawkinsville branch, though considerable is moved over that branch from the Hawkinsville & Florida Southern.

Mr. Boatright: From which of these groups does the Georgia lumber or lumber in Georgia mainly move?

Mr. Cantrell: From 3 and 4.

Mr. Boatright: How does the rate from Southern Railway Group No. 1 compare with the rates to the same territory from corresponding points in the State of Mississippi.

Mr. Cantrell: Well, there is 1 to 2 cents difference.

Mr. Boatright: I refer now to Southern Railway Group No. 1. Referring to page 1 of the tariff you will see what it is.

Mr. Cantrell (referring to tariff): It is 3 cents to Cincinnati.

Com'r Prouty: Three cents higher in Georgia.

Mr. Cantrell: Yes, sir.

Com'r Prouty: What do you mean by "corresponding points

297 in the State of Mississippi"?

Mr. Cantrell: The only points I am familiar with are in the joint tariff of the I. C., Yazoo & Mississippi Valley and the Gulf & Ship Island. They issue a tariff covering all that territory as one group.

Com'r Prouty: There is only one group for Mississippi territory, is there not?

Mr. Cantrell: Yes, sir; so far as my knowledge goes.

Mr. Boatright: Within which Southern Railway group is Tifton found?

Mr. Cantrell: Group 3.

Mr. Boatright: And that corresponds with what G. S. & F. group, if you remember as shown in the G. S. & F. tariffs?

Mr. Cantrell: Well, from Group 1 of the G. S. & F. to Chicago it is 27 cents; from Group 3 of the Southern it is 28 cents.

Mr. Boatright: Is not the rate from Group 3 of the Southern and Group 1 of the G. S. & F. the same?

Mr. Cantrell: Well, I am not prepared to say without looking it up. I never use the Southern Railway tariff in my lumber business. I use the G. S. & F. exclusively.

298 Mr. Boatright: How do the rates on the G. S. & F. in Group 1 compare with the Mississippi points?

Mr. Cantrell: There is one cent difference.

Mr. Boatright: And from G. S. & F. Group 2?

Mr. Cantrell: About 2 cents.

Mr. Boatright: What proportion of the mills are located on main lines in Georgia territory and what proportion on tap lines?

Mr. Cantrell: I am not prepared to say what the exact proportions are, but I will say that we buy very little of our lumber in the G. S. & F. Group 1. It nearly all moves from Group 2 or from tap lines carrying one cent higher than G. S. & F. Group 1.

Mr. Boatright: Then, the relative difference between Georgia and Mississippi is 2 cents instead of one cent?

Mr. Cantrell: Yes, sir; about that.

Mr. Boatright: In your experience in the railroad business and likewise in the lumber business what proportion of flat cars would you say moved south loaded?

Mr. Cantrell: I am not prepared to give the exact proportion, but a large proportion comes south under load.

299 Mr. Boatright: What character of loads are handled on these cars south?

Mr. Cantrell: Agricultural implements, steel rails, cast-iron pipe, buggies, machinery and perhaps other commodities that I have not mentioned.

Mr. Boatright: What western line, perhaps, furnishes the larger part of the foreign flat-car equipment used in this section?

Mr. Cantrell: I should say the Monon during my experience with the Southern. During my lumber experience I have not seen so many.

Mr. Boatright: What class of goods are usually handled south over the Monon?

Mr. Cantrell: From Indian Territory they are under load with stone.

Mr. Boatright: Take the witness.

Cross-examination:

Mr. Baxter: What is done with that stone?

Mr. Cantrell: Well, I am not prepared to say, but the stone I have in mind is used in Florida for building purposes.

Mr. Baxter: That is all.

300 Mr. Kaye: Where do you live?

Mr. Cantrell: In Cincinnati, Ohio.

Mr. Kaye: Do you buy much lumber in Mississippi?

Mr. Cantrell: Yes, sir.

Mr. Kaye: What class of people use the lumber from Georgia and Mississippi, the pine?

Mr. Cantrell: Railroads and car companies.

Mr. Kaye: Eighty per cent. of all that stuff that moves to the Ohio river goes to that class of people, does it not?

Mr. Cantrell: I am not prepared to say anything except as to our company. Fully 80 per cent. of our business goes to railroads and car companies.

Mr. Kaye: Do you know whether there is any requirement of railroads that Georgia pine shall be used in the construction of certain parts of cars?

Mr. Cantrell: No, sir; schedules that come to my notice read: "Long-leaf yellow pine." They do not specify "Georgia."

Mr. Kaye: You are free to buy where you get the best terms. There is no difference to you whether you get Mississippi or Georgia pine, is there?

301 Mr. Cantrell: Not a bit.

Mr. Kaye: That is all.

The Chairman: Are there any further questions to be asked Mr. Cantrell. If not, he will be excused.

The witness was excused.

The Chairman: We will take a recess until 2 o'clock.

At 12:30 o'clock p. m. the Commission took a recess until 2 o'clock, p. m.

302 AFTER RECESS.

OCTOBER 27, 1903—2 p. m.

The Chairman: Mr. Wimbish, you may call your next witness.

H. H. TIFT,

a witness called on behalf of complainant, having been duly sworn, testified as follows:

Mr. Wimbish: Captain, have you any official connection with the Georgia Saw Mill Association?

Mr. Tift: Yes, sir; I am president of the Georgia Saw Mill Association.

Mr. Wimbish: How long have you been president?

Mr. Tift: I have been president since its organization.

Mr. Wimbish: Which was in 1899?

Mr. Tift: Yes, sir.

Mr. Wimbish: Captain, approximately what is the amount invested in the saw-mill or lumber-producing business in Georgia?

Mr. Tift: Do you mean the total amount of capital invested?

Mr. Wimbish: Yes, sir.

303 Mr. Tift: Well, that would be a very difficult question to answer.

Mr. Wimbish: Does it approximate $10,000,000?

Mr. Tift: From the best information we have there are I think about 800 mills in the State of Georgia; possibly more. I suppose it would be safe to take as the average investment, I would say, not less than $20,000. Some of the mills have an investment of as high as a half a million dollars. Other mills have an investment of less, but there are very few that would have an investment of less than possibly $5,000. They would be very small mills.

Mr. Wimbish: What is the annual output of those mills?

Mr. Tift: We have not any very accurate statistics, but we estimate it at 800,000,000 feet, the annual output of Georgia.

Mr. Wimbish: What is the average value of that output?

Mr. Tift: I think a safe basis would be about ten dollars a thousand.

Mr. Wimbish: Then it would be about $8,000,000?

Mr. Tift: Yes, sir.

304 Mr. Wimbish: How much of that before this increase in the rate went to western markets—and by the western markets I mean the Ohio River crossings and points in the central northern States that base on those crossings?

Mr. Tift: Our estimate—as near as we could estimate it—was that 200,000,000 feet went to the Ohio River crossings and points north of the Ohio river. That is largely an estimate, of course. It is not exact, but is the best information we could get.

Mr. Wimbish: Are you prepared to say what is the amount of freight in round terms that that lumber bears?

Mr. Tift: Do you mean the proportion that the freight paid bears to the total value of the lumber?

Mr. Wimbish: Yes, sir; to its value.

Mr. Tift: No, sir; I do not know that I could say exactly. I have not the figures.

Mr. Wimbish: On an average does it equal the value of the lumber at the mills?

Mr. Tift: I should think it would come very near it. On a good many classes of lumber it would exceed the value of the lumber. On the high grades it would be less.

305 Mr. Wimbish: I am speaking of shipments to western territory.

Mr. Tift: The average amount of freight would very nearly equal the value of the lumber at the mills.

Mr. Wimbish: Do you know the percentage of lumber as compared with the total products hauled by the railroads in this State, by the defendants in this proceeding?

Mr. Tift: I am familiar with only one road, and that is the Georgia Southern & Florida. The percentage on the Georgia Southern & Florida of lumber and products of lumber is about 60 per cent., in round numbers, of the total tonnage. It runs from 60 to 64 per cent.

Mr. Wimbish: What is the expense to the railroads of handling lumber as compared with other freight?

Mr. Tift: My experience is that lumber is handled as economically, or more so, than any other products handled.

Mr. Wimbish: Have you ever been engaged in the railroad business?

Mr. Tift: Yes, sir.

Mr. Wimbish: With what road and when, and what was your interest?

306 Mr. Tift: I was president and practical owner of the Tifton & Northeastern for a period of seven and a half years. That is a railroad running from Tifton to Fitzgerald, Georgia, 25 miles in length. I sold that railroad last July, and am out of the railroad business at present.

Mr. Wimbish: What was the principal product hauled by that road?

Mr. Tift: I think lumber was our largest product.

Mr. Wimbish: I will get you to state again what in your experience and observation is the expense to the railroads of handling

lumber as compared with the other ordinary freights hauled in this country? Is it more or less, or materially more or less?

Mr. Tift: I think as a general proposition it is materially less, for the reason that lumber is hauled very largely on flat cars, which is the cheapest equipment that the railroads use, and it is loaded and unloaded by the shipper, and as a rule I believe the cars used in lumber shipments are unloaded and returned to the roads more expeditiously than when used in almost any other class of traffic.

Mr. Wimbish: About what is the value of a flat car?

307 Mr. Tift: Well, I think they run from about $250 to possibly $500. I am not familiar with the cost of the modern 80,000-pound and 100,000-pound capacity cars. They cost perhaps as much as $500; I don't know.

Mr. Wimbish: What is the value of a box car?

Mr. Tift: I think the value of a box car would be about, I should say, 50 per cent. more than a flat car of the same capacity and the same class. I have not exact figures to base that on, but that is my general idea of it.

Mr. Wimbish: Is there any class of cars cheaper than flat cars? Is not the flat car the cheapest car that the railroads use?

Mr. Tift: Yes, sir; that is the cheapest car.

Mr. Wimbish: In the shipment of lumber what is an *idler*?

Mr. Tift: An "idler" car is a car that is used where lengths of lumber longer than a single car is loaded two lengths on three cars. That is, to illustrate, we will take two 34-foot cars and we load on those cars lumber 36 feet long. Loading in that way the lumber necessarily projects over the end of the cars two feet or more, depending on the length. The consequence is, in order to

308 enable this lumber to be loaded, an idler is put in between the two loaded cars. That idler in most cases carries no lumber, but in some cases that idler can be and is loaded with short lumber. As a rule, however, the idler carries no lumber, in general transportation.

Mr. Wimbish: Does the lumber shipper pay for the use of the idler?

Mr. Tift: Yes, sir. I do not know that the rule is universal, but I think the general rule is that the minimum load on the two carrying cars is charged at 30,000 pounds and the idler is charged for at 15,000 pounds.

Mr. Wimbish: One-half of the minimum?

Mr. Tift: Yes, sir; that is my understanding of the rule as it exists today.

Mr. Wimbish: What is the hazard in handling lumber as compared with other roads?

Mr. Tift: It is very small, practically.

Mr. Wimbish: Captain, are you engaged in the lumber business?

Mr. Tift: Yes, sir.

Mr. Wimbish: Please state to what extent and how long?

Mr. Tift: I have been engaged in the lumber business at Tifton since 1872—31 years.

309 Mr. Wimbish: Thirty-one years?

Mr. Tift: Yes, sir.

Mr. Wimbish: What is the extent of the business that you have there?

Mr. Tift: I am running a mill with about 50,000 feet capacity a day.

Mr. Wimbish: How many claims for damages have you made for damaged shipments of lumber since you have been in business?

Mr. Tift: I do not recollect that I have made one at all during my whole thirty years in business. I have not made any claim for damage to lumber in transportation.

Mr. Wimbish: Why is the hazard less on that class of freight than on other freights?

Mr. Tift: Well, I judge from the actual results of the business only, that in my whole thirty years' business I have not had any damage to amount to sufficient to make a claim for it.

Mr. Wimbish: In your capacity as president and owner of the railroad referred to, how many claims for damage to lumber have you had made against you?

Mr. Tift: I am not familiar with the claim business on our road. That was handled entirely by my traffic manager.

310 Mr. Wimbish: Were there any that you now recall?

Mr. Tift: None to my knowledge, although I cannot say.

Mr. Wimbish: How about loading the cars to their capacity as compared with other freights?

Mr. Tift: I think as a rule that the cars loaded with lumber are loaded very nearly to their capacity, except that perhaps in the matter of flat cars shipped to the West, because of the fact that there are a good many idler cars shipped that carry no loads, the total would show those cars were not loaded to their capacity, when as a matter of fact they carry all the lumber that the railroads allow us to put on them. To illustrate, the loading of three 40,000-pound-capacity flat cars with car sills 36 feet long, under the loading rules on those 40,000-pound-capacity cars we are only allowed to load 32,000 pounds, two-thirds of the capacity of the cars. I think I am correct in that. So that on those three cars—we could only load on those three 40,000-pound-capacity cars, 64,000 pounds—on three cars.

Mr. Wimbish: What would be the capacity of the three cars?

Mr. Tift: The capacity would be 120,000 pounds—three cars at 40,000 each. On account of this long lumber projecting over

311 the end of the car, one car truck would carry more than its proportion of the load. For that reason, to reduce the weight and load the lumber they allow us to put on that car. So that fig-

uring on those cars we could not load them up to their marked capacity, but on box cars a load can be put on one car to its capacity. They are loaded as a rule practically to the capacity of the cars, except the roads are now putting in the territory a good many 100,000-pound-capacity cars and 80,000-pound-capacity cars, and it is of course impracticable to load 100,000 unless under certain circumstances; with a 40-foot car we could load 100,000 pounds. It would be impossible to do it with a 36-foot car; we would have to pile it too high, and the load would be unsafe.

Mr. Wimbish: You think that it loads to the car with respect to other freights better; lumber cars are loaded more to their capacity?

Mr. Tift: That is my opinion.

Mr. Wimbish: What is the cost of equipping these flat cars for lumber shipments?

Mr. Tift: We estimate the cost at from about $2.50 to $3.00 a car, depending on the load. It costs more to equip a 60,000-pound-capacity car than a 40,000-pound-capacity car.

512 Mr. Wimbish: If 200,000,000 feet of lumber moved West, what proportion of that moved on flat cars? What proportion has moved on flat cars?

Mr. Tift: I should think about 50 per cent.; that depends on conditions. At times we have a large car-sill trade, and that moves almost entirely on flat cars. At other times the proportion of lumber is more of sidings, and building lumber, and that lumber moves in box cars. It would be about 50 per cent., I think.

Mr. Wimbish: On the lumber that moved West, on flat cars, what would be the cost of equipping the cars to move that lumber? How many cars would you say that represented?

Mr. Tift: Take the average load, one class of lumber with another, on flat cars, it would be about 10,000 feet to the car.

Mr. Wimbish: About 10,000 feet to the car?

Mr. Tift: Yes, sir; perhaps less than that.

Mr. Wimbish: And the cost of equipping flat cars is about $2.50 to $3.00 a car?

Mr. Tift: Yes, sir.

Mr. Wimbish: What would be the additional freight on the weight of the equipment? What would that amount to a car?

513 Mr. Tift: I think the average weight of the equipment is about 1,000 pounds to the car.

Mr. Wimbish: And if the rate is 20 cents that would be $2.00?

Mr. Tift: I think the average rate is about 25 cents.

Mr. Wimbish: About $2.50 a car, then?

Mr. Tift: Yes, sir.

Mr. Wimbish: What is the relative economy in the handling of freights by railroads now as compared with conditions existing, say, in 1890 or 1885, with respect to the number of cars that can be put in a train—train capacity?

Mr. Tift: The capacity of cars and locomotives and the maximum train capacity have been very largely increased.

Mr. Wimbish: Take a train of cars, say, moving from Tifton to the coast or to the West as it existed in 1885 and as it exists now; what is the relative economy?

Mr. Tift: I can make a comparison of the maximum trains on what was then the Brunswick & Albany railroad. That is a railroad running from my mill located at Tifton to Brunswick, Georgia.

About 1885, or along about that period, the maximum train
314 on the Brunswick & Albany railroad was a train of 20 cars. That was the maximum train that they could pull with their heaviest engines. It took two engines for more than that. The rate at that time was $13.00 a car regardless of weight. The maximum load which we expected to put on a car was 5,000 feet. That made a total revenue from that train in 1885 from that maximum train of $260.00. That was the total revenue they received on the maximum train they hauled in 1885. The maximum train today between the same points is 36 cars. That is the maximum load—36 cars. The average freight on those 36 cars today is $24.00 a car. The revenue from that maximum train today is approximately $[illegible], as against $260.00 in 1885.

Mr. Wimbish: What is the increase in cost of operation of these trains? What the relative cost in 1885 and now?

Mr. Tift: Aside from the investment in the tracks and equipment, I should think the actual cost of operating trains today and in 1885 was very little different. They use practically the same men as in 1885.

Mr. Wimbish: What has been the fluctuation in the market value of lumber in the last three or four years, say since 1899?

345 Mr. Tift: I think from 1899 up to January, 1902, there had been an advance of about $1.00 a thousand,—something like that, I do not know the exact figure. I speak from memory. Since 1902 up to the time this rate went into effect in March it has been practically stationary. It has fluctuated a little, depending on conditions. Sometimes the market was brisk and prices would advance a little. But taking the year through there has been very little difference in the market since January 21, 1902. We have the association price list, which was based on what we believed market conditions justified, and the market value of lumber, and that price-list has been changed since that time. Since this advance in rate there has been no advance in the value of lumber to correspond with the advance in rate to western territory, also to eastern points and coastwise points.

Mr. Wimbish: Do you remember the rate on lumber, say, to Chicago from Tifton in 1900?

Mr. Tift: No, sir. I do not know that I could give it from memory.

Mr. Wimbish: I mean before the decrease in rate took effect?

Mr. Tift: No, sir; I have not that rate in mind.

316 Mr. Wimbish: Did any lumber move from this region to that territory under that rate?

Mr. Tift: No, sir; that is my recollection. The rate was prohibitory.

Mr. Wimbish: How did the Georgia manufacturers get into the western market?

Mr. Tift: They got in by a reduction of rate to enable them to meet competition, and got into the western market.

Mr. Wimbish: Do you remember when those reductions were made, and how much they were?

Mr. Tift: I have not the period in mind, but this Chicago rate was fixed at 22 cents during the period I have in mind.

Mr. Wimbish: What is the Chicago rate now?

Mr. Tift: It is now 27 cents from Group 1, which is the Tifton group—Group 1 on the Georgia Southern & Florida railroad.

Mr. Wimbish: That is an increase of 5 cents?

Mr. Tift: Five cents; yes, sir.

Mr. Wimbish: How many increases have there been, and when?

317 Mr. Tift: I have not the dates in my mind.

Mr. Wimbish: Was there an increase in 1899?

Mr. Tift: Yes, sir; that was an increase of 2 cents.

Mr. Wimbish: And there was subsequently an increase of one cent?

Mr. Tift: Yes, sir; I think so.

Mr. Wimbish: What was the competition in that territory, with what woods?

Mr. Tift: Well, we came into general competition with the yellow pine from the Southwest,—from Mississippi and Louisiana, and Texas, and Alabama. We also came in competition with the woods from the northern territory, hemlock and spruce and Norway pine. At that period the Pacific Coast woods, I think, had not gotten into that territory. Of recent years that is getting to be a very large factor in competition for the business of that territory.

Mr. Wimbish: Do you know whether a rebate is allowed on shipments from the Southwest, Arkansas and Texas into this Ohio River territory on account of the increased weight caused by the equipment?

Mr. Tift: No, sir; I am not positive. I could not testify definitely.

318 Mr. Wimbish: Are they allowed anything there, on loading, do you know?

Mr. Tift: My impression is that in the State of Texas they are, but I could not testify definitely on that.

Mr. Wimbish: Shipments coming South, say of meat on those

shipments is any allowance made because of the salt used to preserve the meat?

Mr. Tift: I am not familiar with that, and could not answer.

Mr. Wimbish: Has the cost of production of lumber increased since 1885 or 1890?

Mr. Tift: Yes, sir; very materially.

Mr. Wimbish: Has it increased more or less than the increase in the cost of operation of the railroads?

Mr. Tift: I think it has increased more, sir.

Mr. Wimbish: Now, referring to this recent increase in the rate; what has been the effect on laths, and the cheaper grades of lumber?

Mr. Tift: The effect has been to shut us out of this territory at a very considerable expense. The result has been that we have
319 had to reduce our prices on that product to correspond, or about correspond with the increase in the rate. In regard to laths, it is only in the last few months that we have been able to ship them into the territory north of the Ohio river. It is practically new business with us which has recently sprung up with myself and most of the mills; it is a recent thing that we have been able to get into that territory with plastering laths.

Mr. Wimbish: Are you selling any there now?

Mr. Tift: I am selling a few; yes, sir. We have been forced, in order to get them in, to reduce our price to correspond with the increase in rate.

Mr. Wimbish: You mean since this rate was advanced, or before?

Mr. Tift. We had not been in longer then possibly a year previous to the advance; not more than that, I think.

Mr. Wimbish: Do you know the rate on steel rails from Pittsburg to Cordele?

Mr. Tift: I haven't it in mind.

Mr. Wimbish: Have you the figures before you?

Mr. Tift: Yes, sir.

Mr. Wimbish: What is the rate on steel rails from Pitts-
320 burg to Cordele?

Mr. Tift: The rate is $5.30 per gross ton of 2240 pounds.

Mr. Wimbish: What is the rate on lumber from Cordele to Pittsburg?

Mr. Tift: The rate on lumber from Cordele to Pittsburg, at a rate of 34 cents per hundred pounds, is equivalent to $7.62 per gross ton.

Mr. Wimbish: What is the value of rails at the mill?

Mr. Tift: The value of steel rails at the mill is approximately $33.00 a ton.

Mr. Wimbish: What is the value of a ton of lumber at the mills?

Mr. Tift: A ton of lumber at the mill is worth $5.00. I under-

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stand that valuation of rails is the valuation of the light rails—rails usually shipped into the lumber territory, 35 and 40 pound rails.

Mr. Wimbish: The price of rails has decreased recently, has it not?

Mr. Tift: Yes, sir.

Mr. Wimbish: Has the price of lumber decreased also?

Mr. Tift: Yes, sir.

321 What is the rate on coal from the Birmingham district to Cordele?

Mr. Tift: The rate on coal from the Birmingham district to Cordele is $1.70 per ton.

Mr. Wimbish: What is the rate from Cordele to Birmingham on lumber?

Mr. Tift: The rate is 11 cents per hundred pounds, or $2.20 per light ton.

Mr. Wimbish: Which is the more hazardous freight—lumber or rails or coal.

Mr. Tift: Well, I don't know that there would be very much difference between lumber and coal. I regard steel rails as more hazardous freight to carry than lumber.

Mr. Wimbish: Do you know whether divisions are allowed logging roads in southwestern territory?

Mr. Tift: I only know as a matter of general information.

Com'r Fifer: That is all shown by the testimony in the other case, the tap-line case, which has been stipulated into the record.

Mr. Wimbish: Yes, sir.

Mr. Baxter: It was not stipulated into this case. That is not our understanding.

322 Mr. Wimbish: I should like to have such a stipulation.

Mr. Baxter: I wanted to keep the record straight.

Mr. Wimbish: What is the lumber rate from Beaumont, Texas, to Cincinnati?

Mr. Tift: The rate from Beaumont, Texas, to Cincinnati is 24 cents.

Mr. Wimbish: What is the distance?

Mr. Tift: 1068 mills.

Mr. Wimbish: What is the distance from Tifton to Cincinnati?

Mr. Tift: The distance is 700 miles.

Mr. Wimbish: What is the rate?

Mr. Tift: The rate is put down here at 22 cents, but that was previous to the advance, I believe.

Mr. Wimbish: What is the rate now?

Mr. Tift: It is now, I understand, 24 cents.

Mr. Wimbish: What is the distance from Mobile to Cincinnati?

Mr. Tift: It is 784 miles.

Mr. Wimbish: What was the rate prior to the advance and what is the rate now?

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323 Mr. Tift: Prior to the advance it was 21 cents. I presume it is now two cents higher, since the advance, or 23 cents.

Mr. Wimbish: What is the distance from New Orleans to Cincinnati?

Mr. Tift: The distance from New Orleans to Cincinnati is 925 miles.

Mr. Wimbish: What is the rate?

Mr. Tift: The rate is 21 cents.

Mr. Wimbish: Subject to the increase of 2 cents?

Mr. Tift: Yes, sir. The rate from Tifton is 22 cents for 700 miles to the same point.

Mr. Wimbish: Is the territory in Georgia grouped—divided into groups?

Mr. Tift: Yes, sir.

Mr. Wimbish: Does that condition exist in Mississippi and the West?

Mr. Tift: My information is that it does not. The whole territory is covered by one common rate; one rate applies to the whole territory.

Mr. Wimbish: Are there any large bodies of timber left in Georgia, sufficient to justify the installation of large saw-miles, new locations?

324 Mr. Tift: None to my knowledge; no, sir.

Mr. Wimbish: In your opinion, Captain, how long will it be before the present available timber in Georgia is cut by the saw-mills; how many years? I do not mean completely cut, but I mean taking mills the size of yours, how long will it be before their supply will be exhausted?

Mr. Tift: My opinion is that ten years will cut out seven-eighths of the larger saw-mills in the State of Georgia.

Mr. Wimbish: What is the proportion of your investment in real estate or timber lands and in machinery and equipment, including tram roads that have been taken up and removed?

Mr. Tift: I would have to make rather a rough estimate of that.

Mr. Wimbish: A rough estimate will do for my purpose.

Mr. Tift: Well, I would say, in round numbers, that the investment in the mill and tram road would be approximately $100,000; possibly a little over that. The investment in timber would be about $200,000, in my business.

Mr. Wimbish: What will the value of your machinery, equipment and tram roads when you have cut off your timber? What will be its relative value?

325 Mr. Tift: I should say possibly 25 to 30 per cent. There is a very large proportion of the equipment of the mill that would be practically valueless after the timber is cut out. That would include the mill buildings, the tenement houses, the skids, and all the general outside paraphernalia of the mill. The

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value of the mill after the timber is cut out will be confined almost entirely to the boilers and engines and machinery that could be taken out and removed to another location. The value of the balance would be very small. Referring to the value of the logging roads, the value would consist of the value of the rails that could be taken up, and that would be the value of a relaying rail, whatever that might be.

Mr. Wimbish: I understand you to say that the depreciation would be from 70 to 75 per cent.?

Mr. Tift: I should judge so, on the whole investment; yes, sir.

Mr. Wimbish: You say the average cost of production of lumber is $5.00 per ton? How much is that per thousand feet?

Mr. Tift: What is the question?

Mr. Wimbish: The average cost of lumber being $5.00 a ton, how much is that per thousand feet?

326 Commissioner Prouty: Didn't he say that was the value per ton at the mill, the average value?

Mr. Wimbish: Yes, sir; that is correct. What is the cost of production of lumber per 1,000 feet?

Mr. Tift: That is a very difficult question to answer. There are so many conditions which enter into it that it is almost impossible to get any definite figure.

Mr. Wimbish: Could you say from your experience what the average cost has been to you?

Mr. Tift: No, sir; I do not know that I could.

Mr. Wimbish: Well, do you figure stumpage in the cost of manufacture?

Mr. Tift: Yes, sir.

Mr. Wimbish: How much do you figure it at?

Mr. Tift: I estimate my stumpage at the present value of the timber, or rather the value at which I could replace the timber I am cutting now. I estimate my stumpage now at $2.00 a thousand.

Commissioner Prouty: Is that timber that has been boxed?

Mr. Tift: You speak of my own timber?

Commissioner Prouty: Your own timber.

Mr. Tift: I presume about fifty per cent. of it has been
327 boxed; about that.

Commissioner Prouty: Do you make any distinction between that which has and that which has not, in putting the value of $2.00 on the stumpage?

Mr. Tift: No, sir; as far as figuring the stumpage is concerned, we figure it all together. For instance, if we cut say 50,000 feet of lumber a day, we would figure $100 a day on that, whether it was cut from boxed or round timber. Of course the round timber has a much greater value than the other; but we put it all in and average it all up together.

Mr. Wimbish: You may take the witness.

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Cross-examination:

Mr. Baxter: Mr. Tift, do the books of your mill show the number of cars shipped to the West during each of the months April, May, June, July, August, and September for each of the years 1903, 1902, 1901, and 1900?

Mr. Tift: I think so, yes, sir.

Mr. Baxter: Will you be kind enough to have a statement made up showing those facts for those months in those years?

Mr. Tift: Yes, sir; I can do that.

328 Mr. Baxter: And file it as an exhibit to your testimony here.

Mr. Tift: Yes, sir.

Mr. Baxter: What kinds or grades of lumber are purchased by the railroads and car manufactories north of the Ohio river? Describe it so we can understand it. Car sills is one, is it not?

Mr. Tift: Yes, sir. The lumber that is used by car manufactories as a whole we consider it a low grade of lumber. The car manufactories do use some lumber that would be considered a high-grade lumber; but the large proportion of the car sills that are cut by the Georgia mills are what are called sound and square-edge sills; they are cut out of sound timber.

Mr. Baxter: What else, in addition to the sills are bought by car manufacturers?

Mr. Tift: They use car decking.

Mr. Baxter: What is that?

Mr. Tift: Car decking is also cut from small timber. It runs in size from 2 to 2½ inches in thickness, by 5, 6, 7, 8, and 10 inches in some cases in width, and runs from 9 to 10 feet in length.

Mr. Baxter: That is used for the floors of cars?

329 Mr. Tift: Yes, sir. That is a product that has been shipped in very large quantities out of Georgia until recently. In the last two or three months the demand for that product seems to have come to a standstill almost.

Mr. Baxter: In building box cars they have to have uprights?

Mr. Tift: Yes, sir.

Mr. Baxter: And rafters?

Mr. Tift: Yes, sir. That is what we call car framing. That is cut largely out of sound and square edge. It is a low-grade stuff, mostly short lengths and small sizes, up to about 4 inches square, and perhaps some sizes a little larger; running largely in short lengths, with the exception of stringers,—small boards 2 x 6 or 4 x 6, or something approximating that size.

Mr. Baxter: Then for the sides and ends of box cars what do they use?

Mr. Tift: They use car siding, and for the roof they use roofing. Car siding is perhaps the best grade of dressed stock that they use

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in the cars. Car lining is a lower grade of stock, because that has more knots or defects, which do not matter in car lining. But
330 for car siding they want pretty clear stuff; better stock goes into car siding. Car roofing is a fairly good grade.

Mr. Baxter: Car sills, do they go dressed or undressed?

Mr. Tift: I think the great bulk of the sills go rough. The sills go very largely from small mills rough. Some of it is shipped dressed. The dressed sills go from the larger mills.

Mr. Baxter: The other lumber that enters into the construction of cars—siding, does that go dressed or undressed?

Mr. Tift: Of course the siding and roofing goes dressed almost entirely, although there is some of that stock that is shipped rough from the small mills and dressed at the car works.

Mr. Baxter: How about the framing and decking?

Mr. Tift: The framing and decking is divided in very much the same way. That which goes from the small mills goes rough, the framing as well as the decking. That which is shipped from the large mills is kiln-dried and dressed in order to reduce the weight and save freight, which practically pays for the dressing.

Mr. Baxter: Mr. Tift, what proportion does the lumber that has been purchased by the railroads and car manufacturers from Georgia to be shipped to points on and north of the Ohio river bear to the whole amount of lumber shipped from Georgia to the same territory?

331 Mr. Tift: I do not catch your question.

Mr. Baxter: What proportion does the lumber used by the railroads and car companies that is shipped from Georgia to points on and north of the Ohio river bear to the whole amount of lumber that is shipped from Georgia to points on and north of the Ohio river?

Mr. Tift: That is a rather difficult question. We have not any definite figures on that. I think that the proportion, though, that has been estimated as going to the car manufacturers has been overestimated; that there is a very much smaller proportion goes to car manufacturers. It has been stated that as high as 80 per cent. of the entire movement west went to car manufacturers. My opinion is that actually it is a very much smaller percentage than that, and that the percentage of lumber outside of lumber that is consumed by car manufacturers is increasing constantly and very rapidly. The Georgia mills are endeavoring to find a market for their low grades of boards, flooring, ceiling, siding, and such material as goes into and is generally used in the Northwest for fencing and barns, and the cheaper class of houses; also a market for plastering laths
332 and for what we call piece stock. Piece stock is ordinary framing lumber consisting of 2 x 3 and 2 x 4 and 2 x 6 and 2 x 8, 10, or 12, and running in regular stock lengths 12, 14, and 16 feet long. That is a product that the Georgia mills find it very difficult

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to market. We have a limited market south of the river, and we have been working persistently and in every possible way to extend our territory for that product in order to utilize our small timber and market it at a profit.

Mr. Baxter: Is it not a fact, Mr. Tift, that some time ago the railroads had in with the car manufacturers very large orders for the construction of cars, and those railroads which built their own cars, like the Louisville & Nashville railroad, were in the market for large purchases of lumber to construct cars with?

Mr. Tift: Yes, sir; I think it is a fact that there has been a large demand for car material during the last twelve months, and for a longer period than that; perhaps for the last two years the demand for car material has been large.

Mr. Baxter: Is it not a fact that within the last few months the orders for cars from railroads of the car manufacturers have fallen off to almost nothing?

Mr. Tift: I could not say that of my own knowledge; no, sir

333 Mr. Baxter: What is your information?

Mr. Tift: I have not any definite information in that respect.

Mr. Baxter: Have you any information, definite or indefinite?

Mr. Tift: The only information I have is that since the advance in rates the demand for that material has almost entirely ceased.

Mr. Baxter: Is it not your opinion also that the demand from the railroads for cars has almost ceased?

Mr. Tift: No, sir.

Mr. Baxter: And that the car manufacturers are doing very little work because they have no orders on hand for cars?

Mr. Tift: I have information in a general way, which I gather from the papers, that there has been a general depression and falling off in business; that some of the trusts are getting in bad shape and the railroads are curtailing their operations, but I have no definite information except what I have gotten in a general way. I have no definite information in regard to car works, or as to how they are situated.

Mr. Baxter: Is it not true that the railroads are generally,

334 not only in regard to lumber, but everything else—that they are generally taking in sail as fast as they can; that they are curtailing all kinds of expenditures?

Mr. Tift: I don't know, sir, whether that is a fact or not.

Mr. Baxter: Have you not seen it stated that the Pennsylvania railroad and the New York Central railroad are curtailing their expenses and throwing thousands and thousands of men out of employment?

Mr. Tift: I have seen notices in the papers in the last few days that they are laying off large numbers of men, but I have also seen

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it stated in connection with that that it was believed one object in doing that was the inauguration of a fight to down labor unions.

Mr. Baxter: The object is not so material as the fact. What I am trying to get at is whether the railroads are not as a matter of fact curtailing their expenses in every direction as fast as they can. Have you not heard that, and don't you know it is common rumor, not only in regard to car-building, but in regard to everything else?

Mr. Tift: I don't know that that is the general condition. I know the railroads seem to be handling all the business which
335 they have been handling heretofore. In the matter of car equipment and car supply we have as much trouble as we have been having in many ways; but so far as general business is concerned from my own observation I see very little change.

Mr. Baxter: You are, then, manufacturing lumber faster now than you can get cars to ship it in from your mills—faster than the railroads can furnish you cars to move it in?

Mr. Tift: I should say that individually I am favorably situated for getting cars, and even in a car famine I get along better than the average mill. My information is that from the territory in general there has not been much improvement, although there has been some. I think the business of the railroads is not greatly diminished.

Mr. Baxter: They have in service a great many more cars recently than they formerly had, and in the last few months their orders for cars have been filled and they have no orders to give out?

Mr. Tift: I don't know; but I know the railroads have been building a great many cars and have been receiving them during all these years.

Mr. Baxter: Will the books of your mill, or any other memoranda which you may have of a business character, show the
336 prices f. o. b. at your mill of the kinds of lumber you have described as being the kinds purchased by the railroads and car manufacturers north of the Ohio river on the following dates: November 28, 1890, November 28, 1891, June 15, 1893, May 17, 1894, and September 8, 1899?

Mr. Tift: You mean on that particular date, or for that period?

Mr. Baxter: About that time, those being the times when certain fluctuations were made in the rates from Georgia territory to points on and north of the Ohio river. I would like to get those prices on those dates from some authentic source, and I have no doubt your books are as authentic as we could get—I am willing to stand by them. I would like to get the prices f. o. b. at your mill of the grades of lumber shipped from this country to north of the Ohio river for use by railroads and car manufactories, on those dates. Will you do me the kindness to furnish that?

Mr. Tift: I think I can get you that information, and I have no objection to furnishing it.

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Mr. Baxter: You spoke of rates from Beaumont, Texas, and Mobile, Alabama, and New Orleans, Louisiana, to Cincinnati?

Mr. Tift: Yes, sir.

337 Mr. Baxter: How far is it from Beaumont, Texas, to Port Arthur, on the Gulf? Is it not about 20 miles?

Mr. Tift: I have not that distance in mind.

Mr. Baxter: Well, Beaumont is close to the Gulf?

Mr. Tift: Yes, sir.

Mr. Baxter: Have not Beaumont and New Orleans and Mobile water transportation to Cincinnati unbroken?

Mr. Tift: Have they practical water transportation to transport lumber?

Mr. Baxter: I am asking you. That is a geographical situation which struck me when you were asked about rates from these points which had water transportation or means of water transportation as compared with rates from Tifton, which is an inland point.

Mr. Tift: Water transportation from Beaumont, if I understand the situation, would have to go by the gulf of Mexico to the mouth of the Mississippi——

Mr. Baxter: That would be one route.

Mr. Tift: And up the Mississippi.

Mr. Baxter: That would be one way, or around by the East and thence by the trunk lines to Cincinnati.

338 Mr. Tift: I presume it is possible to get from Beaumont to Cincinnati by water.

Mr. Baxter: And also from New Orleans and Mobile, is it not?

Mr. Tift: Yes, sir.

Mr. Baxter: Did you say that the rates from Texas were what were known as blanket rates—the same rates from all stations on lines north and south?

Mr. Tift: I did not refer to Texas. I referred, or intended to refer, to Mississippi territory. That is my information.

Mr. Baxter: Would that include New Orleans?

Mr. Tift: Do you mean from New Orleans to Cincinnati or Ohio River gateways?

Mr. Baxter: Is the rate from New Orleans to Cincinnati the same as from stations 200 miles north of New Orleans?

Mr. Tift: I don't know that I have that situation in mind so that I can answer that intelligently.

Mr. Baxter: Is the rate from Beaumont to Cincinnati the same as the rate from some point 200 or 300 miles north of Beaumont?

339 Mr. Tift: I would have to refer to the rates; I am not familiar with that.

Commissioner Prouty: I think those rates from west of the Mississippi river are all grouped. They are from Arkansas points.

Mr. Baxter: I did not know how it was.

Mr. Tift: That is my understanding, but I do not know that I am correctly informed. That is my understanding of the situation.

Commissioner Prouty: How long, Mr. Tift, do you expect to be able to stock your mill to say nothing of other mills?

Mr. Tift: I am situated, sir, about in this shape. I have been running a saw-mill at Tifton for over thirty years. I cut over a very large body of timber that was cut over from twenty to twenty-five or thirty years ago. A good deal of that timber is round; has not been boxed. The large timber was cut out of it at that period, and that timber I expect to go over again; and the time which I can run my mill will depend very largely on the market I can secure for the product of that timber. If we can get a market that will let us take our smaller trees and put them into flooring
340 and ceiling and piece stock, and the class of stock that goes into the Northwest, I can run my mill, I think, for ten years.

Commissioner Clements: You stated, I think, that there were about eight hundred mills in Georgia, with a probable average of about $20,000 each.

Mr. Tift: I should think that would be a fair estimate. We have not the exact figures. That is an estimate.

Commissioner Clements: I understand that to be an estimate. That would make $16,000,000.

Mr. Tift: Yes, sir.

Commissioner Clements: Now, does that include the investment in timber lands as well as the plants, the mills and appurtenances?

Mr. Tift: Well, I do not know that that would cover the timber investment in addition to the mills.

Commissioner Clements: I was just trying to get it in my mind correctly.

Mr. Tift: I was not prepared for that question and did not expect it. I think it is rather a difficult question to answer, and I do not know that my estimate would be exactly right. I think to cover the timber properties in addition perhaps that would be too little.

341 Com'r Clements: What are those lands worth after the timber has been cut off of them?

Mr. Tift: That depends almost entirely on the location. Some of the timber lands in Georgia are valuable for farming purposes after the timber is removed, and there are some sections that the land is of very little value. Taking the Tifton section, in Marion and Erwin, Dooly and Colquitt counties, I think the lands would have an average value of, I should say, from three to six dollars an acre for farming purposes after the timber is removed.

Com'r Clements: As you think the estimate of $16,000,000 would be too small to cover the investment in the lands and in the plants, are you prepared to make an estimate of what it ought to be to include the land?

Mr. Tift: I could not for the moment. I might by taking time to go over the matter a little more carefully.

Com'r Clements: Has your association or any lumber journal or paper of any kind kept and published the prices of lumber at different periods of time, for a good many years back? Is there any source of information of that sort in respect to prices?

Mr. Tift: The Georgia Saw Mill Association publishes a
342 price list, which is issued as a basis for the mills to go by in fixing the value of their product.

Com'r Clements: That has only been done, for how many years?

Mr. Tift: That has been done since 1899, I think.

Com'r Clements: Have you a file of them? Can you supply that? Can you supply a file of those prices covering that period of time?

Mr. Tift: Yes, sir; I think so.

Com'r Clements: Is there any data back of that that has been published by any paper—prices that would reach further back?

Mr. Tift: I don't know that there is any that would be available.

Com'r Clements: Is there any other fact which you have not been asked about in any way which you can state that will aid the Commission in getting at what is reasonable and just from any standpoint? You have been familiar with this business a long time, and it may have been omitted to ask you something that you might realize was material.

Mr. Tift: I do not think of anything for the moment. I would say in regard to the association price lists that have been
343 issued from time to time that these price lists have been issued in this way: We have monthly meetings of the association, and at those meetings we call on all the members to give their experience as to market conditions, as to the demand and the general situation. Then we issue a price list based on what is the general market condition, simply as a matter of information and as a basis for the mills to work from in making their prices. There is no obligation on any member to maintain that list; they simply take it as a basis to work from, and that list would not represent perhaps the actual prices that were in use just at the time those lists were issued, although they might approximate it.

Mr. Kaye: How many mills are there on your line between Tifton and Fitzgerald—on the Tifton & Northeastern?

Mr. Tift: I do not own the Tifton & Northeastern at present.

Mr. Kaye: You did own it up to a few months ago, didn't you?

Mr. Tift: Yes, sir. I do not think there are at present more than two or three mills.

Mr. Kaye: Does any of that lumber go West from those mills?

Mr. Tift: I think so; yes, sir. I am not sure.

344 Mr. Kaye: What proportion of the rate was absorbed by the Tifton & Northeastern, say, on the rate to Chicago from Mystic? Was there a mill at Mystic?

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Mr. Tift: There was a mill at Mystic.

Mr. Kaye: On lumber that went to Chicago via Tifton what rate did that lumber carry?

Mr. Tift: I don't know that I could tell you definitely. I think it was 2 cents per hundred pounds.

Mr. Kaye: You were allowed 2 cents per hundred pounds for your haul?

Mr. Tifton: Yes, sir; that is my recollection.

Mr. Kaye: How far is — from Mystic to Tifton?

Mr. Tift: It is 16 miles.

Mr. Kaye: For your own mill at Tifton you just hauled the logs over your own road to your mill and sawed them there?

Mr. Tift: No, sir; I had a logging road independent of the Tifton & Northeastern. I say independent; that is, I used three miles of the Tifton & Northeastern road.

Mr. Kaye: The Tifton & Northeastern road was orignally built as a tram road and extended along, was it not?

345 Mr. Tift: It was built for about half the distance as a tram road and then was extended to Fitzgerald and organized and operated as a chartered road.

Mr. Kaye: Is it not your experience that millmen who have selected good locations and had to build tram roads, when the timber was cut out a good many of the tram roads developed into paying lines, and the land that was left was worth far more than its original cost?

Mr. Tift: I think that is true; yes, sir.

Mr. Kaye: Therefore the stumpage was a source of profit to the mills, if not an absolute gift to them; they got more out of the land than the stumpage?

Mr. Tift: Do I understand your question to be that for that reason stumpage should not be considered of any value?

Mr. Kaye: No; the point I wanted to see about was if that element of cost was included in the cost of manufacture.

Mr. Tift: I should say in answer to that that the value of the stumpage was its value in the market at the time it was cut out.

Mr. Kaye: There is not a very large demand for stumpage per thousand is there? Most of the stumpage has been sold by

346 the acre; there has been very little leasing of stumpage privileges and charging so much per thousand, but men would go and buy so much land, so many acres, and take what was on it? Is that not about the way?

Mr. Tift: Well, what is the difference in the proposition? Suppose we take a body of land at $10.00 per acre that will cut 5,000 feet to the acre; what is the difference——

Mr. Kaye: Is there any land there that will cut 5,000 feet to the acre?

Mr. Tift: Yes, sir.

Mr. Kaye: A good deal of it?

Mr. Tift: Yes, sir.

Mr. Kaye: Does that include stuff going West and stuff also going East—the entire cut?

Mr. Tift: The entire cut. That is what I estimate the cut of my timber at, and it is on that basis that I estimate the stumpage at $2.00 a thousand. I estimate its value at $10.00 per acre.

Mr. Kaye: You make no allowance for the value of the land after the timber is cut off?

Mr. Tift: I am taking the actual value of the timber on
347 the market, what the timber will sell for today on the market. The timber will sell for $10.00 per acre. I have bought timber for which I paid $10.00 for the lease of the timber, and I am ready to pay that today for similar timber. It is worth that and it well sell for it today, regardless of the value of the land. I would say, as an illustration of that position, that the land which now constitutes the city of Tifton I bought land as timber land twenty-five years ago at a dollar an acre, and there are some acres of that territory that today are assessed for taxes at $8,000 an acre; but is that to be a factor in fixing the value of the stumpage on that land or any other land? It is a separate and distinct proposition. Stumpage should stand on its own bottom.

Commissioner Fifer: What is the occasion for that immense advance in the value of that land, do you say?

The Chairman: There has been a town built there.

Com'r Prouty: Mr. Kaye's idea is that if you or some of the mills think that they have not made much money—and your operations would seem to show you have not if it costs you $8.00 or $9.00 a thousand to manufacture your lumber and you get only $10.00 for it—that while you may not be making money out of your
348 mills, you have been making money in the rise in the price of the timber lands which you bought years ago.

Mr. Tift: That is true; we have made money in the advance in the price of timber lands, but we claim that is a separate and distinct proposition. I have made a great deal more in the advance in the price of timber lands than in operating saw-mills. On some of the land that I bought for $1.00 an acre, as I stated, there is now the city of Tifton with 2,000 or 3,000 people.

Mr. Kaye: You think in this case you should take the value of the land at whatever it is?

Mr. Tift: Yes, sir.

Mr. Kaye: Separate and distinct?

Mr. Tift: Yes, sir.

Mr. Kaye: And simply inquire whether a man can take the timber off and saw it and market it on the present freight rate?

Mr. Tift: Yes, sir. The value that should be charged as stumpage in the cost of manufacture is the present value.

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Com'r Fifer: Is there much land in this timber belt owned by men not engaged in the lumber business?

Mr. Tift: I think the great bulk of the timber, sir, is owned by the saw-mill operators.

349 Com'r Fifer: Is there any owned by individuals not engaged in the saw-mill or lumber business?

Mr. Tift: There is some timber in the territory owned by individuals not in the lumber business; I do not know what per cent.; we have not any reliable statistics on that. But I would say that at least 75 per cent., a perhaps a larger percentage, is owned by the lumber companies.

Com'r Fifer: Have speculators come in there and bought these timber lands to any extent?

Mr. Tift: No, sir; I think not in Georgia to any considerable extent. I think in Florida there has been speculations in timber lands more than in Georgia. My information is that there has not been much timber bought for purely speculative purposes in Georgia.

Com'r Clements: Has this rule of the shipper being required to secure the lumber by standards and supports been always the practice since the business commenced, or was there ever a time when that was borne by the railroads, on this business?

Mr. Tift: No, sir; I think not.

Com'r Clements: That is, it has been always as it is now?

350 Mr. Tift: I think it has always been in vogue, with this exception, that a few years since they made the requirements very much more rigid than ever before, so that the expense of this equipment was very greatly increased.

Com'r Clements: Explain that a little, what they did that caused the additional expense, what the requirement was and what was the reason given for it?

Mr. Tift: They specified a particular size and a particular grade of lumber for the standards, and they specified a particular size and grade for the strips. They specified that the cross strips should be 1 x 6 and should be fastened to the standard with three nails at each end, and that the standards should be of straight-grain lumber, practically clear of knots, so as not to impair the strength, and should be accurately fitted to the standards, and that term "accurately fitted" was so interpreted by the car inspectors that it required a carpenter to make the perfect fitting—so it would fit down perfectly. That, however, has been modified to a considerable extent, but still it is necessary to fit that lumber very accurately. Originally we just used almost any sort of rough lumber we

351 had about the mill to equip those cars. We used almost any size of material for the standards and used almost anything we had in the way of refuse for the strips and also for the bearing pieces. Under this new requirement they required a bearing piece not less than 8 x 8 in size, extending across the car.

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Com'r Clements: About when was that regulation made—how many years ago?

Mr. Tift: That was some five or six years ago, was it not, Mr. Baxter?

Mr. Baxter: I don't know the date of it.

Commissioner Clements: Approximately about that length of time?

Mr. Tift: Approximately, I should say five or six years ago.

Commissioner Clements: What was it due to in your opinion or judgment as a shipper and interested in this business as well as the railroads? Was it necessary in order to secure the load better? Was it due to larger loads of lumber being carried, or any reason of that kind? Is it a reasonable and necessary regulation?

352 Mr. Tift: We do not regard it in some of its features as reasonable or necessary. It was a movement inaugurated by the Master Car Builders' Association. They formulated these rules, and at the time they were adopted the saw-mill people had a conference with the Master Car Builders' Association people and the railroad people in Atlanta. They were in session two days, and we used every effort to have these rules modified and have the rules allow us the cost of that equipment. We have felt it was an injustice from that day to this and used every means in our power to get these rules modified or get the railroads to allow us the cost of the equipment and cost of the freight; and there is a bill now pending before the legislature of Georgia on that same line, introduced by the saw-mill people, to require the railroads to furnish this equipment. It is a requirement we have always felt was unjust and unreasonable, and that if the railroads needed this equipment they should furnish it.

The Chairman: Do you mean that the load could be made practically secure without such an expensive equipment for holding it on the car, or that the car ought to be provided by the carrier with the equipment; that the carrier ought to provide a complete vehicle for transporting lumber without expense to the shipper?

353 Mr. Tift: We think the carrier ought to provide the equipment. We believe outside of that if the railroads were required to furnish this equipment themselves and paid the cost of it that they would see it could be modified very considerably, and yet carry the lumber as safely as it is at present. I can illustrate one feature of it, which will explain: Under the rule now existing they require a 4 x 5 standard. Now, in connection with that the railroads have not any standard size of pocket into which these standards shall go. The pocket is a casting that goes onto the side of the car that takes the standard, and those pockets run all the way from 3 x 3 up to 5 x 7 inches, and yet they require a 4 x 5 standard, regardless of the pocket it goes into. We have to take a great many 4 x 5 standards and cut them down to fit 3 x 3 pockets on the cars. Of

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course the strength of that standard is the strength of it at the 3 x 3 pocket. That is where it breaks; it breaks right at the pocket. I simply mention that to illustrate some of the apparent absurdities of the rule.

Com'r Fifer: Is it necessary to equip these cars anew every time they are used in the carriage of lumber?

Mr. Tift: Yes, sir.

354 Com'r Fifer: Could the standards not be returned more cheaply than furnished new?

Mr. Tift: We think they could be; yes, sir. We made an effort some years ago on our coastwise shipments to have that done. The railroads promised to give us a fair trial on it and return them. They did return them for a short period and we got most of the standards back. When the lumber was unloaded the standards were replaced on the cars and sent back to us. That only lasted for a short period. Then the railroads gave it up, for the reason, I presume, that they had no moneyed interest in it.

Commissioner Clements: How much do you think it costs now in excess of what it reasonably should cost to insure the safety of the load?

Mr. Tift: I think it would be a saving of a dollar a car to the mills.

Commissioner Clements: I mean regardless of who does it—the difference between what it does cost and what it reasonably should cost, in your opinion?

Mr. Tift: There could be a very considerable saving to
355 the mills simply by the adoption of a standard size of pocket, so we could cut the standards out in the saw-mills so they would fit the standard pocket. But when we get a car we are liable to get one with pockets anywhere from 3 x 3 up to 5 x 7 inches, and therefore we cannot make standards that we know will fit any car we get. That is one hardship.

Commissioner Clements: That would be a good subject for the Master Car Builders' Association to take up and secure uniformity in that, you think?

Mr. Tift: Yes, sir. We have to take a 4 x 5 standard and cut it down to get it to fit into a 3 x 3 pocket. It costs money to do that, and we look upon the necessity of it, or the requirement of the rule as an absurdity.

356 Mr. Wimbish: For the coastwise service it is perfectly effective, and cheaper?

Mr. Tift: Yes, sir; I would like to explain that in our shipments to the coast, to Brunswick, they do not enforce it——

The Chairman: You are nominally under the same rules in the coastwise shipments? Is there any modification?

Mr. Tift: They do not enforce them in coastwise shipments. Just so it is safely loaded that is all they require.

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The Chairman: They do not make a different rule for the coastwise shipments?

Mr. Tift: In practice they do.

The Chairman: But I mean so far as the tariffs or shipping regulations are concerned, it is the same for all?

Mr. Tift: Yes, sir.

Com'r Fifer: How do you get along in the coastwise business? Do you meet with any difficulty on account of the rules?

Mr. Tift: No, sir; we use a very much cheaper equipment shipping to the coast. We use almost anything we have in hand
357 for standards.

Com'r Fifer: Does it work out all right?

Mr. Tift: I will say in my own experience—and I have been shipping lumber to Brunswick for 30 years—if they have ever had a car wrecked in 30 years due to the loading, I have never had any notice of it. Of course, if you are going to ship lumber over different roads for a thousand miles it would require a more complete and better equipment than it does where it only goes over one line and is loaded at the mill today and probably unloaded tomorrow. It would require for western shipments better equipment than for shipments to the coast. There is a large difference. In equipping cars to the coast the expense is not one-half of the other.

Mr. Wimbish: What would be the cost to the railroad companies to furnish you permanent equipments for the cars?

Mr. Tift: I think it was stated before the legislative committee by the railroad people that in their judgment it could be done for $25 a car.

Mr. Wimbish: That is for all time?

Mr. Tift: I believe it is practicable to equip a car permanently with chains and equipment so that the equipment would be
358 permanent and go with the car. I believe that is the solution of this equipment trouble. It is a big bill of expense to the lumbermen. Take the cars we load to the coast, we sometimes load the same car two or three times a week and equip it 25 or 30 times a year.

Com'r Fifer: What kind of material would you use in this equipment?

Mr. Tift: There are some cars coming into the territory now—I have not seen them—equipped with steel standards. I understand it is a practical equipment. I have not seen one of the cars nor loaded one of them. I think a car can be equipped with a wooden standard with perhaps steel or iron castings at top and bottom and with cross-chains at the top for binders, similar to the way they bind logs, or they could use a wooden standard and have a car equipped with a box or some receptacle in which the standards could be placed and carried back to the mill. I think it is practi-

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cable to equip those cars with a permanent equipment without interfering with their use for other traffic.

Mr. Wimbish: What is the distance from Tifton to Brunswick?

Mr. Tift: One hundred and thirty miles.

359 Mr. Wimbish: You have directed transportation—a line of railway?

Mr. Tift: Yes, sir.

Mr. Wimbish: Brunswick is on the coast?

Mr. Tift: Yes, sir.

Mr. Wimbish: Do you know that the rate from Offerman to Cincinnati and Chicago is the same as from Tifton—the same group?

Mr. Tift: I think not. I am not positive.

Mr. Wimbish: What is the distance from Offerman to Brunswick? Do you know?

Mr. Tift: I do not. I think it is about the same.

Mr. Wimbish: About what?

Mr. Tift: About 130 miles—perhaps less than that.

Mr. Wimbish: Offerman is less than 50 miles from Brunswick, is is not?

Mr. Tift: You mean by the Brunswick & Birmingham?

Mr. Wimbish: Yes, sir.

Mr. Tift: I do not know. I have not the distance on that line. It is a line recently opened. I presume it is about 50 miles. I was figuring by the coast line.

Mr. Wimbish: From Offerman to Cincinnati they have
360 water transportation just as they have from Beaumont, with a small rail connection.

Mr. Tift: I do not know that Offerman has water transportation.

Mr. Wimbish: Has Beaumont water transportation? You go down to Port Arthur, don't you?

Mr. Tift: I think so.

Mr. Wimbish: And at Offerman you go to Brunswick.

Mr. Tift: I do not think Offerman has water transportation. I do not know whether it has or not.

Mr. Wimbish: After these lands are denuded of timber, they have agricultural value and are sold, and they supply a population that furnishes freights to the railroads, do they not?

Mr. Tift: Yes, sir.

Mr. Wimbish: So the railroads get the benefit of the increase in value of the land by increased freights?

Mr. Tift: Yes, sir.

The Chairman: Mr. Tift, I observe that you and other witnesses describe this lumber that goes to the West and is used in car construction as low-grade lumber. Does that mean that the wood
361 is of inferior quality or simply that the materials used in car construction are so short and small in size that they can be

cut from trees that would not produce the standard sizes of lumber for the eastern market?

Mr. Tift: Yes, sir. I will try to explain that as best I can. My mill is what is known as a dimension mill, that is from $\frac{2}{3}$ to $\frac{3}{4}$ of my product is dimension lumber, which is shipped largely to the coast and eastern points. That lumber is cut from the larger trees and is what is known as Savannah merchantable lumber. It calls for a heart specification. The lumber we work from the outside of the larger trees and the lumber from the smaller trees that have not sufficient heart to go into the coastwise shipments is what we describe as low-grade lumber. That is put into car sills, car decking and car material generally. It goes into lumber generally used in the West and Northwest for fencing, building barns, outbuildings and a cheap class of houses.

Com'r Clements: It is more or less sappy?

Mr. Tift: Yes, sir. For instance, our car sills for a size used as much or more than any other is 5½ by 8½ and 36 feet long. A great many of those sills are cut sound and square edge, cut
362 out of a tree about large enough to make that sill and it is a class of timber we could not use in our coastwise business at all.

The Chairman: You could not cut ordinary pine boards out of that tree, but you can cut a stick 6 by 8?

Mr. Tift: Yes; we cut a good many of those trees into boards by using gang saws.

The Chairman: So, in a general way the wood is of inferior quality, irrespective of its size.

Mr. Tift: Yes, sir. What we denominate our high-grade lumber is merchantable lumber that goes into eastern markets. That is hearty timber. What we designate in general as low-grade timber is timber that does not go into those heart orders.

The Chairman: Any other questions to be asked this witness?

Mr. Baxter: I want to ask a question. Mr. Tift, in reply to a question by Mr. Commissioner Clements, you stated that you desired to explain how the prices of lumber were fixed by the Georgia Saw Mill Association, did you not?

Mr. Tift: Yes, sir.

Mr. Baxter: Now, there is a printed or written constitution and by-laws of that association that governs the fixing of those
363 prices, is there not?

Mr. Tift: Yes, sir; we have a constitution and by-laws.

Mr. Baxter: Will you kindly look at the pamphlet handed you (handing pamphlet to witness) and say whether that is a true copy of the one now in force?

Mr. Tift (after examining pamphlet): No, sir; that is not a copy of the constitution and by-laws now in force. That is a copy of the original constitution and by-laws.

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Mr. Baxter: Have you one with you that is a copy of the one now in force?

Mr. Tift: I find, Judge Baxter, that I have not a copy of our present constitution and by-laws. I thought I had one.

Mr. Baxter: Will you file as an exhibit to your testimony a copy of the constitution and by-laws now in force?

Mr. Tift: Yes, sir.

Mr. Wimbish: I should like to ask the purpose of that?

Mr. Baxter: In the answer it is stated: "Respondents aver that said constitution and by-laws constitute a contract, combination in the form of trust or otherwise or conspiracy between the members of said association for the sale and transportation to other
364 States of the United States of the yellow-pine lumber manufactured by the members of said association in the States of Georgia, South Carolina, Florida and Alabama, that the natural and direct effect of said constitution and by-laws is to regulate and restrain interstate commerce in the yellow pine manufactured by the members of the said association. That complainant and the other members of said association are acting in violation of the act of Congress of July 2, 1890, 26 Statutes at Large, 209, entitled 'An act to protect trade and commerce against unlawful restraints and monopolies.'" Without reading further, defendants have said that complainants in this case do not come into this court with clean hands and have no right to question this rate. Whether the Commission is of opinion that the testimony is competent or not, inasmuch as we have no other way of getting the question into the record, except by proposing to introduce it, I think the Commission should take the same action as they would if having the testimony taken by a notary public or commissioner. He would be directed to note the objection. If it should be finally decided that the document
365 was competent, the Commission would allow it to be admitted subject to objection, and if finally decided to be incompetent as testimony, it hurts nobody. On the other hand, if we have a right to rely on it, we have it in the record without having to remand the case to a commissioner or notary public to take the testimony. So, it seems to me a better practice where the question of competency is raised to allow it to go of record subject to the objection of the other side. Now, I will be entirely frank with the Commission. I understand the Supreme Court in a similar case to have held that the illegal character of a corporation or association of this kind does not affect the right of the association to bring suit upon any contract that has been made with it to enforce it, and I understand this Commission to have held that the fact that a party is or is not an illegal association is not relevant to the question of the reasonableness of the rate, but the exact question has not yet gone up to the Supreme Court and I want to put it upon record so that

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the question can be raised without having to remand the case to take proof on the point.

Com'r Prouty: Do you understand that the saw-mill association is a party to these proceedings?

366 Mr. Baxter: I certainly do.

The Chairman: Mr. Baxter, we were rather inclined to hink that this document was not competent for the reason that the saw-mill association is not here complaining. The first paragraph of this complaint here says that so and so, complainants, are members of the Georgia Saw Mill Association, but the complaint is not in the name of that association. It is in the name of individuals. It does not contain any allegation made on the responsibility of the Georgia Saw Mill Association. From a cursory reading of it, it seems to me that anything said about the Georgia Saw Mill Association is mere surplusage. The examination of this witness, however, has taken a course which perhaps justifies you in asking that those articles of association go into the record.

Mr. Baxter: If I have any right to the question, it is on this theory, that these complainants, members of the Georgia Saw Mill Association, are combined and confederated together—the complainants of record here—for the purpose of monopolizing a portion of the yellow-pine industry of the United States; that these gentlemen are engaged in an illegal undertaking and are asking this Commission to put its powers in motion to help them subserve their purpose.

Here are a set of complainants seeking to force upon this
367 court a decision of a question affecting their rights, and as long as they stand here as litigants, they must be subject to the same rules as other litigants. I concede that the Commission and the Supreme Court have said that the doctrine of a party coming into court with clean hands will not apply, but I have seen and your honors have seen the Supreme Court change on questions of that kind. I want while I can and while the record is in its formative condition to get the paper in so that we will not have to come back to go over this again.

Mr. Wimbish: It seems to me that this is a most extraordinary position. He concedes that the Supreme Court and this tribunal have both ruled adversely to his suggestion, and yet he asks the Commission to admit matter that has been adjudged to be irrelevant in order that the question may be made again. The Commission, I do not think, can do that. Why should an exception be made in this case? The Commission has no jurisdiction to determine whether this is an illegal combination or not. It does not affect the unreasonableness of rates at all. The Commission cannot determine whether the Sherman anti-trust act is or is not violated and hence cannot determine whether this is an illegal or legal cor-
368 poration.

Mr. Baxter: Do you say that this Commission has no power

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to say whether the Southeastern Freight Association is an illegal association?

Mr. Wimbish: Certainly.

Mr. Baxter: I understood you to say yesterday that you proposed to rely upon the illegality of the Southeastern Freight Association.

Mr. Wimbish: I intended to show the combination so far as it affected the rates.

Com'r Fifer: Suppose this were a proceeding before a court and the court would rule it out as incompetent. Would it not go into the record in the way of an offer of testimony?

Mr. Baxter: That is all I wanted the Commission to do. The proposition on the other side was to exclude it so that it should not be put into the record at all.

Com'r Fifer: Suppose you offer it and the Commission say it is excluded, would it not appear in the record as part of the proceedings?

Mr. Baxter: That is all I want. Of course, I would not want the Commission to reverse itself in a recent case of this kind.
369 Still I certainly have had enough observation of the Supreme Court to know that even that great tribunal changes its opinion sometimes. If it does, I want to have the benefit of it. I do not say that I shall ask the Supreme Court to reverse itself any more than this tribunal, but if they do I want my clients to have the benefit of it at the time my case may get there.

Mr. Wimbish: The Commission will recall that when Mr. Stillwell was on the stand I offered to explain some features of the by-laws. I was advised that the by-laws were not in evidence, and therefore, I did not go into it. If they go into it at all it is incumbent on me, perhaps, to ask the witness questions as to the meaning of those by-laws and their application, all of which is perfectly irrelevant, I think. We have nothing to fear from these by-laws, but if they go in we want to make the record complete. We believe they should not go in.

Com'r Prouty: Your witness has testified that these prices were published by the saw-mill association under certain conditions.

Mr. Wimbish: Yes, sir.

Com'r Prouty: Mr. Baxter asks on cross-examination if he has not a constitution and by-laws which determine the way in
370 which these prices should be fixed. He says, Yes. Under those circumstances on cross-examination is it not permissible to put in those by-laws to see whether he has correctly testified or not?

Com'r Clements: He was asked by me whether he had any files or publications or prices. In that connection he spoke of price list. He said they did not indicate any record of sales but simply prices beforehand. I dropped the subject as long as it did not show any record of sales.

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Mr. Baxter: I am perfectly willing to submit the question without further argument on my part. I offer the evidence. I have done all I can to get the evidence in proper shape.

Com'r Prouty: Do you offer it as part of his cross-examination, or as affirmative testimony?

Mr. Wimbish: If the Commission please, we will withdraw all objection if the gentleman wants it in the record.

Mr. Baxter: I do. If there is any attack on the Southeastern Freight Association I propose to fight back.

The Chairman: The matter is disposed of by the withdrawal of the objection.

Mr. Baxter: Will you be kind enough, Mr. Tift, to furnish as an exhibit to your testimony a correct copy of the constitution
371 and by-laws of the Georgia Saw Mill Association now in force?

Mr. Tift: Yes, sir.

Mr. Baxter: Have you a copy with you?

Mr. Tift: No, sir; I thought I had but I have not.

(The constitution and by-laws now in force are hereto annexed and marked "Exhibit No. 1 to Mr. Tift's testimony.")

Mr. Baxter: Was that last constitution and by-laws adopted since this litigation began in the United States circuit court?

Mr. Tift: There was some change made in the constitution and by-laws at the last annual meeting in May.

Mr. Baxter: That was after the litigation began before Judge Spear?

Mr. Tift: I think so; yes, sir.

Mr. Baxter: Do you remember whether you changed section 5: "The prices on all lumber and other building material handled by members of the association are to be fixed by the association as heretofore, and the price lists made up and information sent out by
the secretary of the association as in the past.

372 "All members of the association shall, as far as possible, keep press copies of all bids made and shall keep press copies of all contracts made and all books of members and all bids and contracts shall be open at all times to the examination of the association or a committee appointed by the association."

Are those two paragraphs preserved in your constitution and by-laws or have they been changed?

Mr. Tift: Paragraph 5 has been changed so as to explain that clause referring to prices fixed by the association as heretofore. I do not know whether you remember, but at the hearing before Judge Spear it was testified to by myself and other members of the association that article 6 was a dead letter entirely, that it had never been enforced and should not have been in the by-laws. At the last meeting it was taken out. Section 5 was also explained in

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the affidavit before Judge Spear, of which we have a copy, stating the meaning of "the fixing of price lists as heretofore."

Com'r Prouty: Now, Mr. Baxter, this complaint was filed in June and the change in the constitution was made before the complaint was filed. Do you claim that these gentlemen some time in
373 the past were guilty of some illegal transaction as a reason why they ought not to be allowed to file complaint before the Commission?

Mr. Baxter: No, sir. My answer says they are now an illegal combination and the evidence that they changed the constitution and by-laws after the litigation began before Judge Spear in order to conceal the true nature of the organization is a circumstance against them. I was going to ask him to put in the constitution and by-laws at the time the litigation began, but when they put in one that was changed——

Com'r Prouty: I should think that would tend in their favor. If they were guilty of any illegal act, they fixed it just as you did.

Mr. Baxter: The difference is that we did not and they did.

Mr. Tift: I wish to read an affidavit in the case before Judge Spear on article 5 of the constitution and by-laws of the Georgia Saw Mill Association. This was an affidavit made by myself:

"That article 5 of the constitution and by-laws of the Georgia Saw Mill Association, in so far as it refers to 'the fixing of prices on lumber by the association, as heretofore,' and the price
374 lists made up and sent out by the secretary of the association as in the past."

That is quoting from the language of article 5.

"has no other meaning or intention than that in the past, to wit, previous to the publication of the said constitution and by-laws, it had been the custom of the saw-mill men, under a voluntary organization of the same name,"

That was an organization existing previous to the Georgia Saw Mill Association, which has gone out of existence.

"to meet at regular intervals, or on call of the president, and to discuss prices, and to arrive at what, in their judgment, was the fair market value of their product; and to embody their consensus of opinion in a price-list, to be circulated among its members as information; in no sense, did the association fix, or attempt to fix, or enforce any certain list of prices to be charged by the mills members of such association.

"Your deponents further state, that while it was one of the objects of said association to disseminate information in reference to the market value of their products, still the principal objects of their association were: 'For the purpose of producing uniformity and certainty in the customs and usages of the trade; to settle dif-
375 ferences among themselves; to reform abuses; foster and encourage trade; protect themselves from unjust and unlawful

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exactions; and to promote and enlarge a friendly intercourse among themselves, and those who might thereafter become associated with them.'

"Your deponents further state, that one of the chief benefits to be derived, and that has been derived, from said association was the securing of uniformity in classification, grading, standards and gauges of measurements in the manufacture of yellow-pine lumber."

That was an affidavit made on the trial to explain that wording "fixing prices as heretofore."

Com'r Prouty: Do you say that the affidavit states the fact as it was?

Mr. Tift: Yes, sir.

Mr. Baxter: Now, Mr. Tift, if that affidavit states the facts as they were, explain the use of retaining article 6 as follows:

"All members of the association shall as far as possible, keep press copies of all bids made and shall keep press copies of all contracts made, and all books of members and all bids and contracts
376 shall be open at all times to the examination of the association or a committee appointed by the association."

Now, if no member were bound by prices suggested by the association, why was that member required to keep his bids and contracts open?

Mr. Tift: The extent of that provision when it was put in was to enable the secretary to get this information for the general benefit of the association. As a matter of fact, there was never a single instance during the history of the association when that clause was anything but a dead letter. It was never put into operation in any way whatever. As a matter of fact it was overlooked and should have been eliminated because it amounted to nothing. It was one of those things that sometimes creep into an organization of that kind that should not have gone in. It was never used in any way whatever. It was a dead letter.

Mr. Baxter: That is all.

Mr. Wimbish: Was that constitution drafted by counsel or an expert or was it simply a copy of an old constitution?

Mr. Tift: My recollection is that it was drafted from some old constitution. It was not drafted by an expert. We did not
377 have an attorney to do it. My recollection is that it was drawn partially from by-laws of one of our old associations. It had been practically overlooked that we had such a clause in our constitution until it was brought up in the hearing before Judge Spear. It had never been used in any way whatever and at our last annual meeting, we eliminated it.

The Chairman: You are to produce and file as part of your testimony, as I understand it, a copy of the present constitution and by-laws of this association.

Mr. Tift: Yes, sir.

The Chairman: That is all you have been asked to do in that regard as far as I recollect?

Mr. Tift: That is my understanding; yes, sir.

The Chairman: You are also to give Mr. Baxter the price of lumber f. o. b. at certain dates which he named. I assume that Mr. Baxter will give you a memorandum of those dates.

Mr. Baxter: Yes, sir. November 28, 1890; November 28, 1891; June 15, 1893; May 17, 1894; September 8, 1899, up to date.

Mr. Tift: As I understand, you want the shipments for a period of 30 days from those dates?

378 The Chairman: On or about those respective dates.

Mr. Tift: A period of 30 days from those dates or 60 days?

Mr. Baxter: I would like to have them as close as you can get them, 30 days.

Com'r Clements: Do you want them 30 days before or 30 days after?

Mr. Baxter: I would rather have the exact dates, but I thought the witness said he might not be able to give the exact dates; then I said, as close as you can give them.

Mr. Tift: I will say that if those were the dates rates were changed it might not affect the lumber for some time.

Mr. Baxter: Oh, no. I wanted to know the fluctuations in the price of lumber on or about those dates without regard to whether it affected the sale of particular lots. You also understood that I wanted the number of cars per month for April, May, June, July, August and September shipped to the West for the years 1903, 1902, 1901 and 1900.

Mr. Tift: Yes, sir.

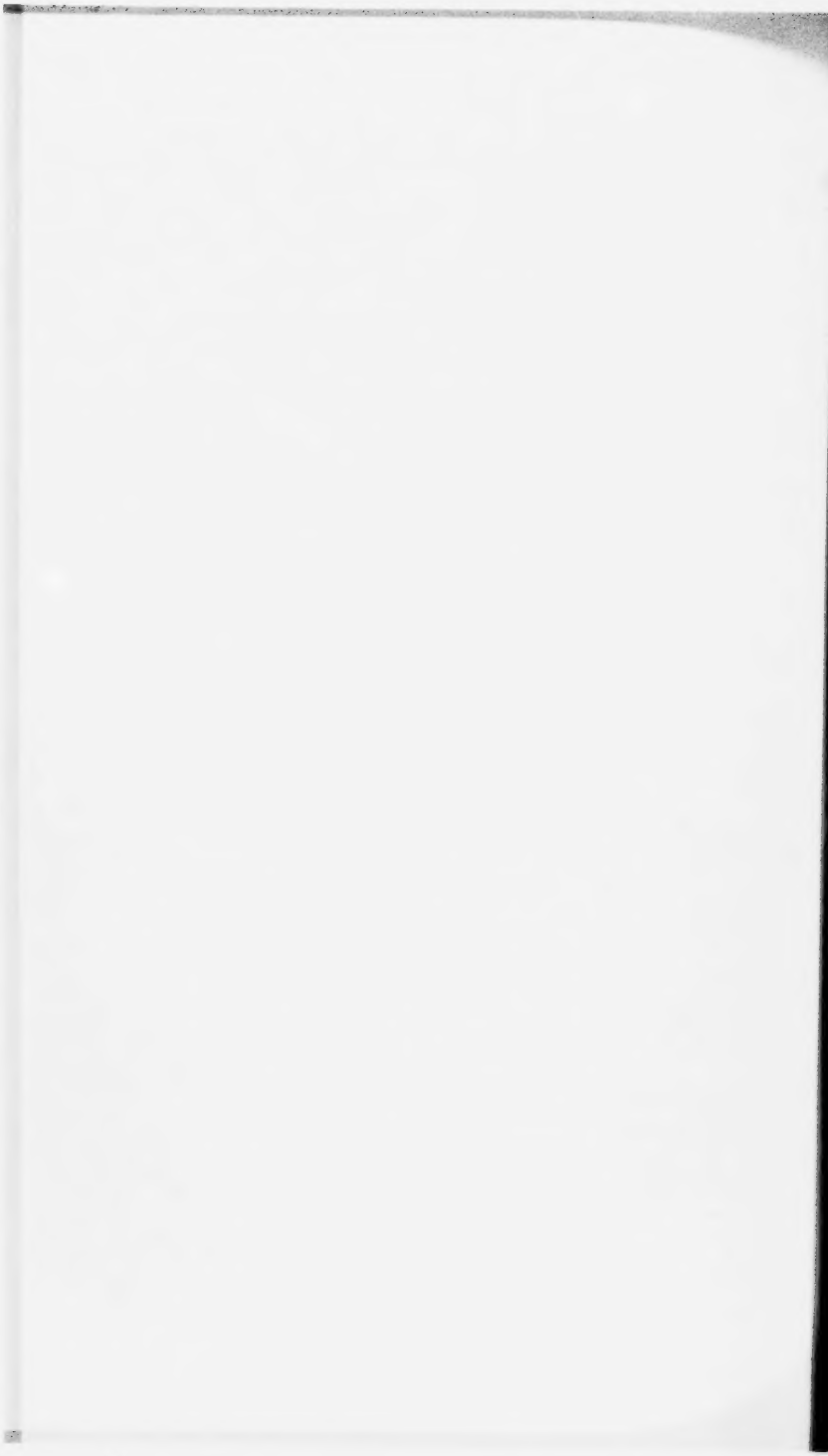
The Chairman: That seems to be all.

The witness was excused.

(Exhibit No. 1 to Mr. Tift's testimony not furnished.)

Mr. Wimbish: I shall ask the Commission to permit me to offer some documentary evidence after I get an opportunity of 379 conferring with Judge Baxter. With that reservation we rest.

Mr. Baxter: I will ask Mr. Cantrell to take the stand for a moment. He was examined this morning.



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C. W. CANTRELL RECALLED.

Mr. Northrop: What company do you represent?

Mr. Cantrell: The Provident Lumber Company of Cincinnati.

Mr. Northrop: You do a large business?

Mr. Cantrell: Yes, sir; we do a very good business.

Mr. Northrop: You are wholesale dealers in lumber?

Mr. Cantrell: Yes, sir.

Mr. Northrop: What is the practice or custom in reference to adding the freight rate to lumber which you purchase at southern points before you make sales of same to the customer?

Mr. Cantrell: On receipt of a schedule we figure it out on what we think we can buy that lumber at the mill, f. o. b. mill price; then we add the freight to point of destination; then we add our profit, as much as in our judgment is right, and give the customer the total amount.

380 Mr. Northrop: Is that the usual practice with all who deal in lumber as you do?

Mr. Cantrell: I am not prepared to say. That has always been our practice.

Mr. Northrop: You are familiar with the fact that there has been a falling off in orders in western territory?

Mr. Cantrell: Yes, sir.

Mr. Northrop: Do you attribute that solely to the addition of the 2-cent freight rate?

Mr. Cantrell: No, sir; I do not.

Mr. Northrop: What other causes do you think are controlling in that situation?

Mr. Cantrell: Well, I am not prepared to say just what causes entered into that decline in business, but I have never thought that the increase in freight rates was solely responsible for it. I did think it precipitated it.

Mr. Northrop: Do you think it was a depression in business or falling off in manufacture in that territory? Do you think that might have something to do with it?

Mr. Cantrell: My experience the last 60 days is that there is not as much business as heretofore.

381 Com'r Prouty: Does that apply to business generally, or simply to sales to these car companies?

Mr. Cantrell: As I stated this morning, about 80 per cent. of our business is with car companies and railroads. I am not in a position to say in regard to business in general.

Mr. Northrop: Has there been a falling off in the car companies' orders recently—the car manufacturing companies?

Mr. Cantrell: Please state that again?

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Mr. Northrop: You sell to car manufacturing companies?
Mr. Cantrell: Yes, sir.
Mr. Northrop: Has there been a falling off in their orders?
Mr. Cantrell: In our own experience there has been.
Mr. Northrop: Within what period?
Mr. Cantrell: In the past six months I should say—well, the past 4 or 5 months.
Mr. Northrop: Has that falling off been in a marked degree?
Mr. Cantrell: Well, I did not notice it so much up until the time the freight rates went into effect.

382 Mr. Northrop: Was that falling off in orders confined to the lumber originating in Georgia or did it apply to all stuff they buy from you?

Mr. Cantrell: Well, I cannot say. We get a schedule from a car company and we bid on it with the understanding, of course, among ourselves that we will either buy that in Georgia or Mississippi as the case may be, to our best advantage.
Com'r Prouty: Where can you generally buy to the best advantage, in Mississippi or Georgia?
Mr. Cantrell: Well, circumstances alter that to a great extent. We have two offices, one in Hattiesburg and one in Tifton. In a large number of cases it is with the man who has charge of that office—what he thinks he can get that particular schedule at, at that particular time. He gives me his quotation as an f. o. b. mill price. I add the freight rate and profit and submit it to the customer. The Tifton bid may be lower in some cases than the Mississippi bid and the Mississippi bid may be lower in some cases than the other.
Com'r Prouty: Do you think that either locality has a decided advantage over the other, judging from the bids?

383 Mr. Cantrell: No, I think the f. o. b mill price in Mississippi is about the same as in Georgia.

Com'r Prouty: And the freight rate in Georgia is about a cent higher?
Mr. Cantrell: Yes, sir; but you understand there are conditions. There may be mills in our immediate territory in Georgia that have a supply of certain stock on hand that we are previously aware of and that we can get, and there may be a little reduction on what ordinarily we would have to pay for it. That might lower the Tifton's man quotation to me. That might also apply from the Mississippi office. That man might be aware of some particular material he could get at a reduction; consequently his price to me would be affected thereby.
Mr. Boatright: Is there a falling off in the inquiries or in the orders that you actually receive?
Mr. Cantrell: Well, there has been a falling off in both the inquiries and the orders. Where we get a number of inquiries, of

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course, out of some of them we get one or two orders. Where we have very few, it limits our chance of getting orders.

Mr. Boatright: Where do you do the principal part of your
384 buying now, and where have you been doing it for the past 90 days?

Mr. Cantrell: Well, we have been buying in Mississippi to a large extent for our western trade. Some of it, however, we have got in Georgia.

Mr. Boatright: Is there more than usual moving from Mississippi as compared with Georgia?

Mr. Cantrell: Well, our office in Georgia was established just previous to or about the time of the agitation in freight rates and we have not much data to go back on.

Mr. Boatright: Do you mean your office in Georgia or the one in Mississippi?

Mr. Cantrell: The one in Mississippi.

Mr. Boatright: Mississippi instead of Georgia?

Mr. Cantrell: Yes, sir.

Mr. Boatright: That is all.

There being no further questions the witness was excused.

The Chairman: We will adjourn until tomorrow morning at 10 o'clock.

At 4:30 o'clock, p. m. the Commission adjourned till 10 o'clock a. m. October 28th, 1903.

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385 ATLANTA, GA., *October* 28, 1903—10 a. m.

The Chairman: Gentlemen, you may proceed.
Mr. Baxter: I will ask Mr. Culp to take the stand.

J. M. CULP,

a witness called on behalf of defendants, having been duly sworn, testified as follows:

Mr. Baxter: Mr. Culp, I believe you are connected with The Southern Railway Company, one of the defendants in this case.
Mr. Culp: I am.
Mr. Baxter: What position do you occupy with that company?
Mr. Culp: Fourth vice-president.
Mr. Baxter: What is the special nature of your duties as fourth vice-president of that company?
Mr. Culp: I am in charge of the traffic department.
Mr. Baxter: Does that include the freight business of your company?
Mr. Culp: Yes, sir; freight and passenger.
386 Mr. Baxter: How long have you been connected with the Southern railway?
Mr. Culp: Since its formation, July 1st, 1894.
Mr. Baxter: Did you have any experience in the railroad freight-traffic service before that? If so, in what capacity and with what company?
Mr. Culp: As general freight agent of the Louisville & Nashville and as assistant traffic manager of the Richmond & Danville railroad.
Mr. Baxter: Your service altogether in the freight-traffic department, then, has extended over what period of years?
Mr. Culp: Twenty-four or twenty-five years, in an official capacity.
Mr. Baxter: Look at this pamphlet (handed to witness) and state what it is, Mr. Culp.
Mr. Culp: The articles of association of the Southeastern Freight Association.
Mr. Baxter: When was that adopted—in what year?
Mr. Culp: For the year 1903–'4.
Mr. Baxter: Is the Southern railway a member of that association?
387 Mr. Culp: The articles became effective on the 1st of May, 1903, and are to continue in force until April 30, 1904. The Southern railway is a subscriber to these articles.
Mr. Baxter: Are those articles of association now in force?
Mr. Culp: They are.

Mr. Baxter: Are there any other articles of association of that organization that you know of?

Mr. Culp: There are not.

Mr. Baxter: Does that pamphlet represent the only articles of association in existence since May 1st, 1903?

Mr. Culp: It does.

Mr. Baxter: It has been charged in this case that the Southeastern Freight Association is employed by the Southern Railway Company as a medium through which to effect a lessening of competition. What have you to say on that proposition, Mr. Culp?

Mr. Culp: That is not the case. It is not so employed.

Mr. Baxter: I will ask you without regard to these articles, if there is outside of these articles any understanding, general
388 or special, express or implied, written or oral, under which the Southern railway or any other member of the Southeastern Freight Association is to change its rates so as to conform to the rates of competing carriers?

Mr. Culp: Absolutely none as to the Southern railway, and absolutely none as to others so far as I know and believe.

Mr. Baxter: Were you connected with any company which was a member of the old Southern Railway and Steamship Association that formerly existed in this territory?

Mr. Culp: Yes; both with the Louisville and Nashville railroad at one time, and with the Richmond & Danville at another time.

Mr. Baxter: Now, what was the material difference, Mr. Culp, between the old Southern Railway & Steamship Association and the present Southeastern Freight Association?

Mr. Culp: Under the old Southern Railway & Steamship Association in its earlier days rates could be made for the various roads members of that association by a majority vote of the rate committee composed of the traffic representatives of the roads members of that association. Later that was changed and it required a unanimous vote. That latter provision was perhaps under the Southern
389 States Freight Association, which was the successor of the Southern Railway & Steamship Association. Under the articles of association here, of the Southeastern Freight Association, there is nothing that compels any line or requires any line or influences any line in being bound by the action of any other line or member, or set of members or number of members of the association.

Mr. Baxter: You mean with reference to the Southeastern Freight Association:

Mr. Culp: The Southeastern Freight Association; yes, sir. When the Supreme Court of the United States decided the Joint Traffic Association case, having previously decided the Trans-Missouri case—I believe that was in 1897—the railroads comprising the Southern Railway and Steamship Association or its successor, the

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Southern States Freight Association, met with the legal representatives of their respective companies, and they were advised by the legal representatives of those companies that the agreements under which they had been acting, or the regulations under which they had been conducting their business were not legal, and they were advised in regard to what would be legal, and how they might proceed to confer as to rates, to exchange information
390 and exchange views as to rates, to argue each with the other where it would be proper that a rate should be reduced or advanced. Articles of association that were pronounced by counsel to be in accordance with the law were prepared, and the railroads have been acting in accordance with legal advice since that time.

Mr. Baxter: Now, as a matter of fact, Mr. Culp, independent of any association agreement or any other agreement, does the Southern railway pursue an independent course with regard to making rates over its lines, or does it feel itself bound legally or morally to agree with any other competing line as to what its rates shall be?

Mr. Culp: It is absolutely independent in that respect. I may say that having ideas more or less fixed about rates, I am always nevertheless free to confer with other lines, to obtain their views, and while I may have felt that a given rate ought to be reduced, I might become convinced that it should not be reduced; I may not have had full information before hearing others' views; or I may have felt that a rate ought to be advanced, not having full information and not having considered the matter in the best light, and I may be convinced that the rate ought not to be advanced.
391 But always and all the time there is nothing whatever to control me by the action of any line a member of the Southeastern Freight Association, or outside of that association, for that matter, as to what action I shall take or what action the Southern railway shall take with respect to rates. Generally speaking, if one line reduces a rate, a competitor of ours, of the Southern railway, reduces a rate, we must reduce ours or remain out of the business, although we have not always done that. I have in mind a recent instance where a competing line reduced a rate on an important commodity. However, the Southern railway did not feel that its interests required it to meet that rate, and it did not do it.

Mr. Baxter: Now, in the matter of the recent increase of 2 cents per hundred pounds in the lumber rates from points in Georgia and Florida to points on and north of the Ohio river, state whether the Southern railway in that matter acted by concert or agreement with other competing lines, or independently?

Mr. Culp: It did not.

Mr. Baxter: It did not which, Mr. Culp?

392 Mr. Culp: It acted independently in the matter and without regard to the action of any other line. In fact, at the time that the Southern Railway representative gave notice of the advance

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he did not know that every line perhaps would make the advance, when he gave notice to other lines that the Southern railway would make that advance.

Mr. Baxter: In making that advance did the Southern railway as a matter of fact act through the Southeastern Freight Association, or did it act solely through its own officers?

Mr. Culp: It acted solely through its own officers. My recollection is that there was not even a meeting of the association as an association at which the advance was determined upon.

Mr. Baxter: Please look at the document here handed you and say what it is.

Mr. Culp: This is a freight tariff, with supplement, of the Southern Railway Company, the Alabama Great Southern Railroad Company, and the Augusta Southern Railroad Company in connection with the transportation lines indicated on page 3 of the cover published rates on yellow-pine lumber and shingles from southern mill points in Alabama, Florida, Georgia, Louisiana, and Mississippi, to points in States on and north of the Ohio river and Tennessee
393 and West Virginia.

Mr. Baxter: What is the Interstate Commerce Commission number of that tariff?

Mr. Culp: Interstate Commerce Commission No. 7340.

Mr. Baxter: Now, that purports to be the freight tariff of the Southern Railway Company, the Alabama Great Southern Railroad Company, and the Augusta Southern Railroad Company in connection with certain transportation lines. Are the Alabama Great Southern Railroad Company and the Augusta Southern Railroad Company competing lines of the Southern Railway Company, or what is their connection with that road?

Mr. Culp: The Augusta Southern is part of the Southern Railway system, although it has a separate organization. The Alabama Great Southern is a connection of the Southern railway.

Mr. Baxter: Is it or not a fact that the Southern railway either directly or indirectly has an interest in the Alabama Great Southern?

Mr. Culp: It has a controlling interest, and some of the officers of the Southern railway are officers of the Alabama Great Southern.

Mr. Baxter: Now, was that tariff filed as the independent act of the Southern railway, the Alabama Great Southern railroad and the Augusta Southern railroad, or was it secretly the tariff of
394 other roads that compete with those roads?

Mr. Culp: This was absolutely the independent tariff of the Southern railway, the Alabama Great Southern and the Augusta Southern, and while other roads may have had the same rates, and I assume they did have the same rates, there was no secret understanding that this was to be the tariff of any other road except those named on its title page.

Mr. Baxter: Was there any contract or agreement to the effect

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that if the Southern railway, the Alabama Great Southern and the Augusta Southern railroads were to put this tariff into effect that the competing lines would put in similar tariffs?

Mr. Culp: There was absolutely no agreement. There was an expectation that other lines would adopt rates that would be the same or practically the same.

Mr. Baxter: If the competing lines had not adopted similar rates what would have been your action on this tariff?

Mr. Culp: We would probably have continued this tariff for a while, but we would no doubt have had to reduce it eventually if we expected to participate in the business from territory that could be served by other lines.

Mr. Baxter: I wish to refer to that tariff, which is on file
395 with the Interstate Commerce Commission as evidence that it is the individual act of the lines named thereon as putting it into effect, but to save the cost of printing that entire tariff I put it in evidence only for that purpose.

Commissioner Prouty: Does this freight association file tariffs for the different roads in any case?

Mr. Culp: The chairman of that association, Mr. S. F. Parrott, does as the agent of the Southern railway file some tariffs with the Interstate Commerce Commission for the Southern railway.

Commissioner Prouty: That is to say, Mr. Parrott filed this tariff?

Mr. Culp: I do not know whether he filed this or whether our company did.

Commissioner Prouty: If he were to file a tariff to which the Southern railway was a party, would he file it on the part of the Southern and the roads it controls alone, or would all the roads in his association be parties to that tariff?

Mr. Culp: Mr. Parrott is instructed to file certain tariffs for the Southern Railway Company irrespective of what other lines may instruct him to do.

396 Commissioner Prouty: Does he file it just as a paper of yours, or does he file it in connection with other lines as their tariff also?

Mr. Culp: I cannot answer that. I presume that he files one tariff for all; but I do not know.

Commissioner Prouty: You do not know whether this tariff was filed by Mr. Parrott through your directions, or filed by you independent of Mr. Parrott?

Mr. Culp: I do not know, but I should say that tariff was filed by the Southern railway.

Commissioner Fifer: Were the tariffs of all the competing lines with yours filed at the same time yours was filed?

Mr. Culp: I do not know. This tariff is a tariff of the Southern railway, the Alabama Great Southern and the Augusta Southern.

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The Alabama Great Southern and the Augusta Southern are not members of the Southeastern Freight Association, and I feel quite safe in saying that tariff was filed by the Southern railway, the Alabama Great Southern and the Augusta Southern.

Commissioner Fifer: The point I wanted to bring out was whether when this advance was made on lumber rates the tariffs
397 creating or establishing that advance were all filed at the same time or filed at different times, or whether some one road took the lead.

Mr. Culp: I do not know. We filed our tariff independently of the other roads, independently of what the other roads were going to do.

Mr. Baxter: Mr. Culp, explain generally, and as briefly as you can, to the Commission how lumber rates are made from points in Georgia and Florida to points north of the Ohio river. For instance, for the purpose of illustration, explain how lumber rates are made from what is known in the record here as Georgia Group No. 1 to Cairo and then to points north of Cairo, beyond the Ohio river.

Mr. Culp: Originally, some years ago, the rates from Georgia points to Cincinnati, Louisville and Cairo were the same—the same to those three points.

Mr. Baxter: How was it with reference to Evansville?

Mr. Culp: Evansville, according to my recollection, was a cent higher; but I will not state that positively, although that is my recollection. Rates to points north of the Ohio river generally
398 were made by adding to the rates to Cincinnati, Louisville, Evansville, and Cairo the rates of the lines north of the river, made by them and furnished to the lines south as the rates they would charge on lumber from the south.

Mr. Baxter: They were made up by adding to the rates from the Ohio river? From where?

Mr. Culp: From Cincinnati, Louisville, Evansville and Cairo.

Mr. Baxter: Rates from where to those points is what I want to know?

Mr. Culp: From points in Georgia, as stated. When the lines from Arkansas commenced to ship lumber to St. Louis and to Chicago and to points north in that territory beyond the river the competition began to be felt, and the railroads in Georgia from time to time tried experiments in endeavoring to meet that competition,—reducing the rates from time to time and shrinking their proportions up to the Ohio river to the extent that might be necessary to make the totals which they desired to make; and finally, in 1894, I believe, they saw that they must get down to Cairo and points that would base on Cairo at the same as, or practically the same as, from Arkansas, and they put the rates down to Cairo for beyond.
399 The effect of that was to cause a large proportion of the territory north of the Ohio river to base on Cairo, and that was

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followed by a resultant shrinkage in the proportion up to Cincinnati, Louisville and Evansville to make the same through rates to points north of the Ohio river as were made through Cairo. That basis has been followed since. When that reduction to Cairo for beyond was made, what is I believe now in the Southern railway's tariff Group 2,—perhaps in some other railways' tariffs Group No. 1,—was made 13 cents per hundred pounds to Cairo, a very much less rate than had been in effect to Cairo before this Arkansas competition began to be felt and before the saw-mills in Arkansas commenced to ship into that territory. Since that time the rates from Arkansas have been advanced, 2 cents per hundred pounds to Cairo and 2 cents per hundred pounds to points north of the Ohio river or east of the Mississippi river, or a large part of that territory—perhaps all of it—and when that was done the lines from Georgia, which had put their rates down to meet this competition, simply elevated their rates to the same extent.

Mr. Baxter: I wish you would look at this table of rates and read this paragraph, which gives a history of those rates via Cairo.

400 Mr. Culp: "Deponent gives below a statement of the changes in the rates on pine lumber from South Georgia Group No. 1 to Cairo, compared with the rates currently in effect from Arkansas mills, to wit, from points between Macon and Brunswick to Cairo, Illinois, in cents per hundred pounds." It gives rates from Georgia Group No. 1 in box cars and in flat cars and the rates from Arkansas mills, prior to November 28, 1891, as follows: 20, 23, and 13.

Commissioner Prouty: 20 cents to what point?

Mr. Culp: To Cairo, Ill.

Commissioner Prouty: From what point?

Mr. Culp: From points between Macon and Brunswick on the line of the Southern railway.

Commissioner Prouty: What is the 23 cents rate?

Mr. Culp: That was the rate on lumber in flat cars. I was about to explain that as I read here the first figure I call will be from Georgia Group 1 in box cars, the second figure from Georgia Group 1 in flat cars, and the third in box cars and flat cars from Arkansas. "Effective November 28, 1891, 17, 17, 13; effective June 15, 1893, 16, 16, 13; effective May 17, 1894, 13, 13, 13; effective Sep-

401 tember 8, 1899, 14, 14, 14; present rates, effective June 22, 1903, 16, 16, 16.

Commissioner Prouty: When was the advance made from Arkansas mill points to Cairo? Do you know?

Mr. Culp: According to this, the same date.

Commissioner Prouty: Do you understand that is so?

Mr. Culp: I cannot tell about that. I cannot say whether it was that same date, or prior to that.

Mr. Baxter: I will state that Mr. Culp cannot remember the

specific rates, of course, or the dates. They will be supplied to the Commission by gentlemen more intimately connected with the details of that traffic.

Mr. Culp: For the last two or three years I have not given close attention to details of rates. I trust entirely to the tariffs and on information from those who come more directly in contact with rates.

Mr. Baxter: It appears from the paper from which you have just read that prior to November 28, 1891, the rate from Georgia Group No. 1 in box cars was 20 cents and in flat cars 23 cents to Cairo. Therefore the average of the box-car and flat-car rates would be 21½ cents, would it not?

Mr. Culp: 21½; yes, sir.

402 Mr. Baxter: As against that, during that period the rate from the Arkansas mills was only 13 cents, was it not?

Mr. Culp: Yes. I think, Mr. Baxter, that the average would be more than 21½ cents because of the larger shipments in flat cars.

Mr. Baxter: Take the average of these rates.

Mr. Culp: As they stand, it would be 21½ cents from Georgia, from that group, as against 13 cents from Arkansas.

Mr. Baxter: That gave Arkansas an advantage of about 8 cents a hundred, did it not?

Mr. Culp: Eight and one-half cents.

Mr. Baxter: Over lumber coming from Georgia and Florida?

Mr. Culp: An advantage of that much over shipments from those points; yes, sir.

Mr. Baxter: On November 28, 1891, this table shows that rates from Georgia Group 1 to Cairo were reduced to 17 cents in box cars and to 17 in flat cars, making the rate uniform on lumber in box cars and flat cars?

Mr. Culp: Yes, sir; 17 cents.

Mr. Baxter: That was a reduction of 3 cents a hundred on lumber in box cars, was it not—from 20 cents to 17 cents?

Mr. Culp: Yes, sir.

403 Mr. Baxter: And a reduction of six cents on lumber in flat cars—from 23 cents to 17 cents?

Mr. Culp: Yes, sir, or an average of four and one-half cents.

Mr. Baxter: Now, then, on November 28, 1891, the rate stood from Group No. 1 in Georgia to Cairo at 17 cents in box cars and flat cars as against 13 cents from Arkansas? Is that not so?

Mr. Culp: Yes, sir.

Mr. Baxter: Now, then, effective June 15, 1893, the rate from Georgia Group 1 to Cairo was still further reduced to 16 cents on box cars and 16 cents on flat cars?

Mr. Culp: Yes, sir.

Mr. Baxter: And leaving the rates from Arkansas mills still at 13 cents?

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Mr. Culp: Yes, sir.

Mr. Baxter: Now, on May 17, 1894, the rate from Georgia Group 1 in box cars and flat cars was reduced to 13 cents?

Mr. Culp: Yes, sir.

Mr. Baxter: The same rate as from Arkansas mills?

Mr. Culp: Yes, sir.

404 Mr. Baxter: That was the first time in the history of those rates that the rate from Georgia Group 1 to Cairo had been made as low as from the Arkansas mills?

Mr. Culp: Certainly the first time it was made as low as 13 cents; yes, sir.

Mr. Baxter: Why was that reduction to 13 cents believed to be necessary?

Mr. Culp: It was believed to be necessary to enable the Georgia mills to compete at points north of Cairo with the Arkansas mills.

Mr. Baxter: Now, the rates which had been maintained from Group No. 1 in Georgia to Cairo before they were reduced down to the level of the Arkansas rates, had any lumber moved from Georgia Group No. 1, or this territory generally to Cairo?

Mr. Culp: Yes, sir. As stated, at one time the rates to Cairo from Georgia were as high as to Louisville and Cincinnati, and during that time the shipment of yellow-pine lumber was commenced to points north of the Ohio river and then grew and had assumed,

405 I might say, large proportions before the competition of the Arkansas lumber commenced to be felt, so far as my connection with the movement of the business at that time extended.

Mr. Baxter: Is the character of the lumber shipped from Arkansas to Cairo and beyond similar to, or dissimilar from, that shipped from Georgia and Florida to Cairo and beyond? In other words, are they kinds of lumber which naturally compete with each other?

Mr. Culp: I so understand. I have heard that there is some claim to superiority of one over the other in quality, but it is all yellow-pine, and each competes with the other.

Mr. Baxter: As I understand you, this reduction from the previous rates down to 13 cents was made in order to put Georgia Group 1 points on a level with the Arkansas mills? It was made to meet that competition?

Mr. Culp: Yes, sir.

Mr. Baxter: For that express purpose?

Mr. Culp: Yes, sir.

Mr. Baxter. Do you know the average distance from Arkansas, Texas, and Louisiana points to Cairo, Mr. Culp?

Mr. Culp: I will furnish it.

406 Mr. Baxter: Do you know the average distance from Georgia Group 1 points to Cairo?

Mr. Culp: I will furnish that.

Mr. Baxter: Mr. Culp, I will ask your opinion as an expert as to

the reasonableness or unreasonableness of the present rates from Georgia and Florida points to the Ohio river and beyond on lumber, which present rates include the recent advance of 2 cents per hundred pounds and ask you to give your reasons fully and in detail for any opinion you may express.

Mr. Culp: I think they are reasonably low. When the yellow-pine traffic from the Southeast commenced and when it was increasing and had assumed considerable proportions, the rates to points north of the Ohio river were higher than they are now, even with this advance, because they were based on a uniform rate to Cairo, Louisville and Cincinnati with the proportions beyond. Now, then, 75 to 80 per cent. of the business to points north does not pay the full rates to Louisville and Cincinnati, although part of that traffic may pass through Louisville and Cincinnati. At the time these higher rates prevailed and the business was growing, my understanding and my general information is that there was more
407 white pine in the northern forests than there is now; that it formed a larger proportion of the pine used than it does now. The consumption of yellow pine has increased; it has secured a strong foothold. It is in demand, and naturally with the decrease of white pine and with the establishment of a reputation as a superior lumber, it would naturally stand higher rates than it stood in the early days.

Mr. Baxter: You said "it would." What would?

Mr. Culp: The yellow-pine traffic. The expenses of the railroads have increased very materially, as is shown by the annual reports, and that fact is a matter of general knowledge. The expenses have increased greatly. We feel, therefore, that we must have increased revenue. We feel that we are entitled to participate in the increased volume of traffic and its benefits along with other industries, and then we feel that as prices have appreciated our expenses have increased and we are entitled to higher rates wherever they can be reasonably charged; we believe they can be reasonably charged on this yellow-pine traffic. We claim that the rates which we receive on yellow-pine traffic, even with the advanced rates, will
408 show very favorably in the direction of low rates as compared with rates on pig iron and coal and similar heavy traffic. We do not feel, the Southern Railway Company does not feel, and I do not feel that the present falling off in yellow-pine lumber shipments is due to the increase in rate. My information, acquired in a general way, from papers and interviews with business people, etc., is that the industries are not ordering—that there has been a halt called, you might say, in some industries. I have seen it in the papers, and I believe it to be a fact, that the Pennsylvania railroad has abandoned for the present much work which it had planned and expected to do. The New York Central is likewise retrenching. I have understood, and believe it to be a fact, that the Illinois Cen-

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tral is not going to proceed with improvements which it had expected to make.

Out of an increase of $4,300,000 in the gross earnings of the Southern railway for the last fiscal year ended June 30, 1903, all that increase in gross earnings except about $400,000 was expended in the increase cost of operation. We advanced quite a number of other commodities about the same time—some before and
409 probably some after the advance in the rate on yellow-pine lumber, and feel that we were and are entirely justified in it. We believe all the conditions support the opinion that this advanced rate is reasonable, and we feel sure that if we had not advanced the rate at all, the condition which now exists would have existed anyway. Whether it would have existed as soon or not I cannot say, but certainly it would have come about within a very brief period.

Mr. Baxter: What are the average receipts per ton per mile on the Southern railway?

Mr. Culp: Nine and one-half mills a ton a mile. It costs the Southern Railway Company 70-odd per cent. for operation—72 per cent. and a fraction, I believe. The annual report will show that. For the purpose of illustration, take these freight receipts of 9½ mills and multiply it by the per cent. of cost of operation, say 72; it amounts to nearly 7 mills, I think. Now, we are hauling this lumber up to the Ohio river at a rate approximating a half a cent per ton per mile. The Southern Railway Company gets out of some of this lumber traffic only between 3 and 4 mills a ton a mile. Over 85 per cent. of the flat cars that we haul into this section to load with this yellow-pine lumber we haul in there empty. We
410 do not load 15 per cent. of them in. Formerly we got an extra charge, at one time 7 cents, and finally as low as 3 cents, on lumber in flat cars, because they came south empty. Now we do not get anything extra.

Mr. Baxter: You got at one time 7 cents per hundred pounds extra?

Mr. Culp: I want to say that I do not know whether that applied to Georgia. I had in mind Alabama. At that time I was with the Louisville & Nashville railroad.

Mr. Baxter: At one time in the lumber business there was a rate of 7 cents and afterwards 3 cents in favor of flat-car shipments as against box-car shipments?

Mr. Culp: Yes, sir.

Mr. Baxter: And that difference has been wiped out and flat cars have been put on an equality with box cars?

Mr. Culp: Yes, sir.

Mr. Baxter: Mr. Culp, do you know of any rate per ton per mile on lumber moving between any points or any territories in the United States, except from Pacific Coast points to points in the Central Traffic Association territory—is that the name of the territory?

Mr. Culp: Yes, sir.

411 Mr. Baxter (continuing):—that are as low as the rates per ton per mile received by the defendant companies for the transportation of this lumber from points of origin in Georgia and Florida to the Ohio river?

Mr. Culp: I have not personally figured all the rates, but my understanding is that with the exception of the rates on fir and lumber from the Pacific coast, the rates which the defendant lines receive from Georgia and Florida to the Ohio river and points north thereof are lower than any other rates on lumber.

Commissioner Fifer: What is the distance from Georgia points to Cairo?

Mr. Culp: I stated I would furnish that. I can give it in round figures. It is in the neighborhood of 750 miles. I can give it to you exactly in a moment.

Commissioner Prouty: Your present rate is 17 cents?

Mr. Baxter: Sixteen cents.

Mr. Culp: Sixteen to Cairo.

Commissioner Prouty: What is the present rate to Cincinnati—the same?

Mr. Culp: No; the present rate to Cincinnati is 23 cents.

412 Commissioner Prouty: How does the distance compare from Georgia to Cincinnati and Georgia to Cairo?

Mr. Culp: It is greater to Cairo.

Com'r Prouty: Greater to Cairo?

Mr. Culp: Yes, sir.

Com'r Prouty: Although your rate to Cincinnati is considerably greater?

Mr. Culp: Yes, sir. If your honor will permit me, I will explain that when we reduced Cairo to meet the competition there we endeavored to confine the reduction to the competition and did not extend it to Cincinnati.

Com'r Prouty: You reduced that rate to cover that territory which the Arkansas mills could reach?

Mr. Culp: Yes, sir.

Com'r Prouty: Territory which you could reach through Cincinnati, like Detroit, would not be reached by Arkansas mills through Cairo?

Mr. Culp: Detroit bases on Cairo, and we do not get our rate up to Cincinnati on lumber for Detroit or Indianapolis.

Com'r Prouty: The basis through Cairo is lower than through Cincinnati?

413 Mr. Culp: The combination through Cairo is lower than the combination through Cincinnati.

Commissioner Prouty: You send the lumber through Cincinnati, but you use the Cairo combination?

Mr. Culp: We send it preferably through Cincinnati.

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Cross-examination:

Mr. Boatright: I believe you stated in your direct examination, Mr. Culp, that you were advised by counsel that the Southern Railway & Steamship Association and the Southern States Freight Association as they were organized were illegal?

Mr. Culp: The Southern Railway & Steamship Association as it had been conducted, and the association or its successor—I do not remember which was the association at that time—was not in accordance with the law as defined by the Supreme Court of the United States.

Mr. Boatright: Is it not a fact that the present association accomplishes identically the same ends as its predecessors?

Mr. Culp: No.

Mr. Boatright: It is composed of practically the same
414 people, is it not?

Mr. Culp: No, sir; they are different.

Mr. Boatright: Does it not accomplish the same result of uniformity of rates?

Mr. Culp: That would be accomplished if there were no association. As long as any line or all lines attempt or endeavor to compete with each other, each line that attempts to compete must adopt the rate of the lowest line. When the Southern Railway & Steamship Association was in existence, or during a large part of the time, or all of the time that the Southern Railway & Steamship Association was in existence, a majority vote fixed the rate and all the lines adopted that rate. Today I suppose a majority or a great majority of the rates discussed with a view to making a change are not changed. Certainly that is true as to advances.

Mr. Boatright: Would it take a unanimous vote of all those interested in this lumber rate to have made this change; or, in other words, might not the Southern railway and the L. & N. and possibly one or two others, have accomplished this result entirely independent of the wishes of the other lines?

Mr. Culp: There was no vote taken. There would be no vote
415 taken. There would simply be a discussion, and there simply was a discussion, and the Southern railway announced that as for itself these rates would be adopted. The Southern railway if it had not announced that would not have participated with its connections in lower rates than these. It naturally would not have secured any business against other lines that would have made lower rates.

Mr. Boatright: Which line took the initiative, Mr. Culp, in bringing about this increase? Was it the Southern railway or the L. & N.?

Mr. Culp: I do not know. If the officers of the Southern railway did their duty, they were certainly in the front in trying to get an advance.

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Mr. Boatright: Would it not have been possible for the Southern railway together with the L. & N. to have accomplished this end and every other line in the association could have opposed? Could they not by an agreement or understanding have brought about this result?

Mr. Culp: I doubt it; I doubt it.

Mr. Boatright: Are there any other lines except these two over which lumber might reach the Ohio River crossings?

416 Mr. Culp: Yes, sir; and doing a great amount of business.

Mr. Boatright: Name them.

Mr. Culp: The Central of Georgia, in connection with the 'Frisco and Illinois Central.

Mr. Boatright: The Central of Georgia in connection with those lines?

Mr. Culp: Yes, sir; another is the Atlantic Coast Line in connection with the Norfolk & Western and the Chesapeake & Ohio.

Mr. Boatright: Is there not more or less a common interest? Is not the Southern railway able to exercise an influence over the Central of Georgia?

Mr. Culp: If so, I have never found it out. I have sometimes wished that I could.

Mr. Boatright: You stated, Mr. Culp, that the Southern Railway tariff No. 6 was the individual tariff of the three lines named—the Southern railway, the A. G. S., and the Augusta Southern?

Mr. Culp: Yes, sir.

Mr. Boatright: This tariff covers eight groups of stations in the various States. If I have not overlooked anything, Group 3

417 does not contain a single station on the Southern railway. How do you account for that, if it is the individual tariff of these companies named?

Mr. Culp: I read from the title page, I think, what it was. I intended to do so—" in connection with the transportation lines indicated on page 3 of cover."

Mr. Boatright: That includes all of the lumber-carrying roads, does it not?

Mr. Culp: It includes those which would send this business in connection with the Southern railway. This tariff applies to lumber which has to travel over the Southern railway, the Alabama Great Southern, and the Augusta Southern; from any of the points named in that tariff to any of the points named in the tariff.

Mr. Boatright: Your tariff, then, includes everything in Georgia?

Mr. Culp: That would pass over the Southern railway.

Mr. Boatright: That would or could pass over the Southern railway?

Mr. Culp: Yes, sir; that is to say, from points of origin to points of destination named in this tariff.

Mr. Boatright: Has the Southern railway any yellow-pine
418 mills of any consequence located on its own line,—reached directly by its own rails?

Mr. Culp: Yes.

Mr. Boatright: Of any consequence?

Mr. Culp: Yes, sir.

Com'r Fifer: You do not mean that the road owns the mills?

Mr. Boatright: No, sir; located on the line of the Southern railway. Are there in Georgia, in your Group No. 1, to which you referred during Judge Baxter's examination?

Mr. Culp: Not any very large ones. When I said there were mills on the Southern railway I had in mind the mills at Riverside, Alabama, at Riderville, Alabama, at Jackson, Alabama, and other points. We have a publication showing the points on our line, however, at which there are lumber mills, I believe.

Mr. Boatright: From your Group No. 1, that portion of it between Macon and Brunswick, is there any lumber of any consequence?

Mr. Culp: There is lumber.

Mr. Boatright: At what point?

419 Mr. Culp: There is lumber at Lumber City and Cochran.

Mr. Boatright: Do you know the character of the lumber shipped from that Lumber City mill?

Mr. Culp: No, sir.

Mr. Boatright: Could you say whether it was all pine, or is it part gum and part other woods?

Mr. Culp: I cannot tell what proportion of it.

Mr. Boatright: Are there any groupings of the mills in Mississippi territory, Mr. Culp, in comparison with the groupings in Georgia?

Mr. Culp: I cannot answer for the Illinois Central and the Mobile & Ohio, or any other roads except the Southern. I believe we have a uniform rate from our line in Mississippi.

Mr. Boatright: Your Group 1 in Georgia to Cairo was reduced until it was equal to the rates from Mississippi to Cairo—until it reached 13 cents at one time from both?

Mr. Culp: The same as from Arkansas. The rates from Mississippi are the same as from Arkansas.

Mr. Boatright: Why are the rates grouped in Georgia, Mr. Culp, and not in Mississippi? Why is the territory grouped instead of the rates?

420 Mr. Culp: I do not know why they are not grouped in Mississippi. I do not know that they are not grouped. I said I did not know whether they were grouped on the Illinois Central or the Mobile & Ohio, but that they were on the Southern. The Southern has a short line in Mississippi across the State. It does not originate much pine there, but we do carry lumber.

Mr. Boatright: The Mobile & Ohio and Illinois Central tariffs and other tariffs will be in evidence, and I think they will show

that there are no groupings on those lines. If such is the case, is there any good reason for it in your judgment?

Mr. Culp: I would have to know more about why there is no grouping than I do now before I would be able to answer that intelligently,—if there be no groupings, if such is the case.

Mr. Boatright: When the rates from your Group 1 stations were made the same as Arkansas and Mississippi territory and that was maintained for several years, why is not the same relative basis maintained now, or is it?

Mr. Culp: The rate of the Southern railway is the same as from Mississippi.

Mr. Boatright: But are not those rates from a territory from
421 which practically no lumber moves, as compared with territory from which lumber does actually come?

Mr. Culp: There is lumber moving from that territory, and that would be the adjustment if there was ten times the lumber moving that is moving from there.

Mr. Boatright: Are you in a position to say about what percentage of lumber moves from your Group 1 stations as compared with Groups 2 and 3?

Mr. Culp: No; I am not.

Mr. Boatright: Could you have a statement prepared showing that movement for the period in controversy here?

Mr. Culp: How long is that?

Mr. Boatright: I believe from 1891. Still, I do not think it would be necessary to go back that far; say from 1894 to the present time.

Mr. Culp: I cannot promise that, because I do not know whether our waybills are kept that far back. It will be the work of the auditor, and I do not know how far back he has his waybills preserved. It would be necessary for him to examine each waybill.

Mr. Boatright: I should say perhaps a statement covering
422 a period of two years would be sufficient. Could that be prepared?

Mr. Culp: Would not a much less time be sufficient to cover the information desired? To handle all the waybills for a period of two years would require a great deal of work and time, which you as a railroad man can easily understand.

Mr. Boatright: I appreciate the difficulty of it, and do not wish to ask anything unreasonable.

Mr. Culp: Take a shorter time. I should think a month in a year ought to give you an answer to your question.

Mr. Boatright: Then take a period of any thirty days in each of the past three years that would be fairly illustrative.

Mr. Culp: I will endeavor to do that. Bear in mind, however, that if the auditor has not preserved all his waybills as far back as that, I cannot do it.

Mr. Boatright: Then for such time as you can.

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Mr. Culp: But not for more than one month in each of the three years?

Mr. Boatright: Not more than that. Mr. Culp, it was in evidence at Macon in this case that the rate on steel rails from Pittsburg to Cordele was $5.30 per gross ton of 2240 pounds, while the rate on lumber from Cordele to Pittsburg would be 34 cents per hundred pounds, or equivalent of $7.62 per gross ton over the same line. Is there anything in the handling of the two articles that would justify that difference?

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Mr. Culp: I do not think there is any connection between the two, but assuming there were, the steel rails would be loaded on flat cars which would come otherwise South empty to get lumber loaded on them back North. They might be carried with a profit under those conditions very much more cheaply—at a very much cheaper rate than lumber. But it is not an unusual thing for the same commodity to be transported at different rates in opposite directions,—one rate east bound and another west bound, and one rate north bound and another south bound. There is no sort of connection between steel rails and lumber. I do not see how there could be any necessary relation between the rates.

Mr. Boatright: Is there any good reason for rates over the same rails in reverse directions on the same commodity? Is there any good reason why they should be different?

Mr. Culp: There may be the very best of reasons.

Mr. Boatright: What are some of those reasons, Mr. Culp?

Mr. Culp: If you are going to send "coals to Newcastle" you will probably have to make a cheap rate. If you are going to meet strong competition at one point or in one section or center—competition with a commodity that exists at that point or which comes from some other point or section, you may have to make a very much less rate than you would make on the same commodity to some other point an equal distance; or you might make on one kind of lumber in one direction a very low rate to meet competition, while, in the opposite direction, the kind of lumber which might be shipped from the point of destination to the original point of shipment of the first lumber, might stand the full rate.

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Mr. Boatright: Then under such circumstances or facts as that you are governed largely by market conditions?

Mr. Culp: Competition of various kinds,—market or transportation competition.

Mr. Boatright: Would the expense of handling steel rails South, do you think, be greater than in handling lumber in the reverse direction? Would the hazard be greater on lumber or any element warrant making that difference, outside of the element of competition?

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Mr. Culp: I would explain that in loading steel rails on
425 flat cars they are loaded on flat cars which would otherwise move South empty, and we could therefore afford, if necessary, to make a very much less rate than we might make on lumber in the reverse direction and would show as much net profit. The question of the cost of carrying rails as against the cost of carrying yellow-pine lumber cuts very little figure in it.

Commissioner Fifer: Suppose it was necessary to carry rails from Pittsburg South and the car was brought back empty. There might be some exception to that.

Mr. Culp: We might carry those rails South at the rates at which we do carry them if we had to move every car back empty. We do not carry those rails at those rates because we would not move flat cars South empty at all. We carry them at those rates because conditions seem to require it. There is hardly any road in the State of Georgia that does not with own rails or over some line in which it has an interest have access to the seaboard. There is a rail mill at Sparrow's Point, which is on the water. It is practicable, and entirely feasible to move rails from Sparrow's Point to Charleston or Wilmington, or Savannah, or Brunswick, or Fernandina, by schooner or by vessel. Then the lines which want to use those rails
426 can, almost all of them in the State of Georgia, take those rails from some of those ports. Now, a line which is interested in carrying rails all-rail from Johnstown or Pittsburg or points in the interior, has got to make rates which will enable those mills to give it business—make rates which will enable the mills it reaches to get rails in and meet competition. That fixes the rate.

Mr. Boatright: Now, are there not many saw-mills in Georgia located on water and which could reach the points of demand by similar methods of transportation?

Mr. Culp: My observation and information is that the water is used wherever it can be used.

Mr. Boatright: Does that exercise any controlling influence in the fixing of rates to Buffalo, Pittsburg territory?

Mr. Culp: The rates from interior points in the South must always be to a greater or less extent regulated and influenced by the rates that lumber can be shipped at by water to eastern ports and then handled by rail into the interior, and they have been so influenced and are so influenced.

Mr. Boatright: Have the eastern rates on lumber, then, been increased to maintain this balance?

427 Mr. Culp: No; because it is not necessary. I suppose if they were to advance the rate on lumber from points of interchange to Buffalo and Pittsburg 10 or 15 cents a hundred, water transportation would be used to the eastern ports and then the lumber be sent into the interior by rail. We have got to watch

that all the time, to see that we do not get our rates so high as to prevent the movement against that competition.

Mr. Boatright: It was in evidence at the Macon hearing that from Birmingham to Cordele, Georgia, the rate on coal was $1.70 per gross ton of 2240 pounds. The rate from Cordele to Birmingham on lumber is 11 cents per hundred pounds, or $2.20 per light ton. The rates on coke were the same as coal. How would you justify that difference between those two commodities?

Mr. Culp: I expect we do not ship any coal to Cordele,—as long as you have slabs to burn—at that rate. The railroad people were led to believe that that rate was necessary to Cordele to stimulate the traffic.

Mr. Boatright: How about the shipment of lumber to Birmingham?

Mr. Culp: Lumber moves to Birmingham at those rates and can move at those rates. The rates are sufficiently low to enable the business to expand.

428 Mr. Boatright: It was in evidence here yesterday, I believe, that the rate on lumber from Beaumont, Texas, to Cincinnati, a distance of 1068 miles, was 24 cents per hundred, while from Tifton to Cincinnati, a distance of 700 miles, it is now 24 cents per hundred. What justification is there for that difference in your judgment, as a traffic manager?

Mr. Culp: If I had my way I would like to see that rate of 24 cents from Beaumont advanced, but I never heard of any shipments moving to Cincinnati at that rate. I have no idea that any shipments ever did move at it. Probably some line from Beaumont, finding the rate from Georgia was 24 cents, quoted that rate and published it. If any lumber were to move at that rate, lumber in large quantities, or in quantities sufficient to call attention of the roads to it, it would probably be taken cognizance of. The very fact that it has not been taken cognizance of, and that it was only developed that there was such a rate in existence during the course of the trial at Macon, shows plainly, I think, that it is simply a paper rate.

429 Mr. Boatright: You do not think the water route by Port Arthur influences the making of that rate?

Mr. Culp: I know there is water competition. To what extent the people making that rate fixed it against that competition, I do not know; but there is a water route that can be used from Beaumont to Cincinnati.

Mr. Boatright: Mr. Culp, does the Southern railway exercise any controlling influence in the making of rates from Mississippi territory?

Mr. Culp: Well, it exercises absolute influence and control over its own rates. It does not exercise any influence or control over anybody else's rates.

Mr. Boatright: It has the same relative influence in Mississippi as in Georgia?

Mr. Culp: I do not know about that. We do not originate much pine lumber on our road and carry very little from Mississippi. We carry a great deal from Georgia.

Mr. Boatright: The groupings in Georgia marked on an exhibit to your affidavit used at Macon, show the Group 1 territory marked green, which includes your line from Macon to Brunswick
430 and likewise the principal lines in Alabama and Mississippi, while Group 3 of your line, as shown in your tariff, covers apparently all of the lumber-producing territory in Georgia. Why are these rates made 1 cent higher than from points similarly situated, for instance, on the Gulf & Ship Island railway in Mississippi?

Mr. Culp: What might be called the trunk-line railroads from Macon north and from Montgomery north have always been very liberal with the roads in Georgia which penetrate the lumber sections and which, when they were first built, had very little to depend on except the lumber and the supplies that went in to feed the hands and the mules, and also the machinery which went in. They have been liberal, I think, with them in allowing them proportions, realizing that they could not afford to work for a short distance as low a rate per ton per mile as the lines North; but the initial roads have had those proportions whether the rates went up or down, whether the rates paid the lines north of Montgomery or north of Macon 3 mills per ton per mile, or 4 mills, or 5 mills. When the rate to Cairo was the same as to Cincinnati and Louisville, they got those proportions, and when the rates to Cairo went down to 13 cents, they still got those proportions. Now, when the lines
431 from Arkansas advanced their rates the trunk lines from Georgia found that they could advance their rates, and their duty to the stockholders showed them that they ought to advance their rates. They undertook to advance them. They did not come, however—I speak now for the Southern railway, and I think the same spirit actuated the other trunk lines—we did not feel that we were called upon to give this advance or any part of it to the shorter roads. We had borne all reductions, and we took the advance; but the same necessity which required the trunk lines from Macon and Montgomery north to advance their rates—increased cost of everything they consumed—operated upon these other short roads, and they said, our expenses are increasing; we must get some advance; and some of those roads advanced their rates likewise. That had the effect, I understand, of making rates from Georgia one cent higher than from Arkansas.

Mr. Boatright: It is a fact, then, that the line originating the lumber gets an arbitrary proportion regardless of the haul usually?

Mr. Culp: Some of them do.

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Mr. Boatright: Most of them do?

432 Mr. Culp: I think so.

Mr. Boatright: And then the smallness of the proportion received by your line at various times as well as at the present was due very largely to the amounts allowed initial lines?

Mr. Culp: Well, not very largely, because the whole proportion was not so enormous. It was not an unreasonable proportion.

Mr. Boatright: Is the geographical situation, so far as it affects the handling of lumber on the Gulf & Ship Island railroad materially different from that of the Georgia, Southern & Florida?

Mr. Culp: In some respects I should say they were similar. I am not sufficiently acquainted with the Gulf & Ship Island railroad to take into account all points of similarity or dissimilarity between the two.

Mr. Boatright: The Gulf & Ship Island could reach over the Illinois Central a great number of the points in common western territory?

Mr. Culp: Yes, sir.

Mr. Boatright: Well, the Georgia Southern & Florida in

433 connection with your line could do the same?

Mr. Culp: With our line and others.

Mr. Boatright: Is it or not a fact that the Gulf & Ship Island to Jackson receives 7 cents regardless of the distance of its haul?

Mr. Culp: I do not know. I have heard so.

Mr. Boatright: When the rate was 13 cents to Cairo the Illinois Central would make the remaining haul for 6 cents?

Mr. Culp: I do not know.

Mr. Boatright: And would now make it for 9 cents if they get 7?

Mr. Culp: I do not know whether the rate over the Gulf & Ship Island was 7 cents or not.

Mr. Boatright: It probably was not in existence at that time, but there would be 9 cents applying from Jackson to Cairo at the present time.

Mr. Culp: It depends on what the rate is. If there is a rate of 16 cents from stations on the Gulf & Ship Island via the Illinois Central and the Gulf & Ship Island is allowed 7 cents, it naturally follows that there is only 9 cents left.

434 Mr. Boatright: If it is a fact that the Georgia Southern & Florida is divided into 3 groups, each varying 1 cent from the other and the Gulf & Ship Island is not, would not that make a serious discrimination—even the G. S. & F. being 1 cent higher than the Gulf & Ship Island points—would not that make a discrimination against people doing business on the Georgia Southern & Florida and would there be anything to justify such grouping?

Mr. Culp: I do not know how serious it would be. It would be a difference of course, but I have no doubt that the Georgia Southern & Florida railroad divides its road into groups for the very best

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reasons. Railroads do not as a rule do these things in a haphazard way and without thought and consideration. The fact that the Gulf & Ship Island makes one rate from its line—if it be true that it does—is no controlling reason why the Georgia Southern & Florida should do it, or why any other road should do it, any more than if one road cuts a rate in two, every other road should meet that cut. Whether the competition is serious, and when you say serious, I suppose you mean injurious—I mean the discrimi-
435 nation—I cannot answer as to that; but I know this in a general way, that the Georgia Southern & Florida railroad has an outlet for its lumber or for a large part of it to the coast. The shippers on its line send only certain kinds of their lumber to the West. The Gulf and Ship Island and roads in Mississippi generally, according to the best information I have, send the larger part of their lumber to the West. Therefore the shippers on the Georgia Southern & Florida railroad might be quite able to pay a slightly higher rate than Mississippi and still not be injured.

Mr. Boatright: From Group 3 stations, as shown in Southern Railway tariff, it seems that as between them and Mississippi points they are always through all changes kept 1 cent higher than the Mississippi points; yet in your direct examination you answered a question indicating a recognition of the fact that there was competition; that the railroads had been trying to protect the Georgia lumber men in getting into that market and in enabling them to do so. Now, why do you come within 1 cent of equalizing them all the time, uniformly, and I might say universally?

Mr. Culp: Well, the Southern railway from points between
436 Macon and Brunswick on its own line makes the same rate—what they call the standard rate from Mississippi. Now, as far as the Southern railway is concerned, it insists upon receiving a proportion of the standard rate, the Mississippi rate, or the rate from its own line, less the former arbitrary or proportion south of Macon. Therefore, it follows that as far as shipments by the Southern railway are concerned, the lines south, in order to get any advance over their old proportions, must add, and have seen fit to add 1 cent. My understanding is that the Central of Georgia, the Nashville, Chattanooga & St. Louis and the Louisville & Nashville require of their connections the proportion of the standard rate, less the former arbitrary and the connections of those lines must add, and have seen fit to add, in order to get an advance, 1 cent.

Mr. Boatright: You stated in your direct examination that your line handled lumber on an average at the rate of 5 mills per ton per mile. The proportions allowed the originating lines would be very much higher than that, would they not?

Mr. Culp: Well, I said that the rate, the whole proportion
437 south of the Ohio river, including these short-road proportions, was in the neighborhood of 5 mills. The Southern Railway's proportion is even much less than that.

Mr. Boatright: Can you state what the Southern Railway's proportion averages, about what?

Mr. Culp: I cannot.

Mr. Boatright: Do you regard the proportions allowed the originating lines as just and reasonable for the service performed?

Mr. Culp: Well, we have realized that they ought to have greater proportions per mile and much greater proportions per mile than the trunk lines. Whether 4 cents, or 5 cents, or 3 cents is the correct figure, I do not know. We have fixed on 4 cents. The Southern railway was willing to allow 4 cents from stations on the Georgia Southern & Florida and does allow 4 cents. Of course, if those lines were willing to reduce their proportion and we could add it to ours, we would be glad to do it.

Mr. Boatright: I have before me G. S. and F. division sheet, issued April 1st, 1903, effective April 15, 1903, which was doubtless intended to apply to the new tariff,—it carries evidence of that—in which the G. S. & F. demands, whether it be to Macon or
438 Cordele, from their three groups as follows: Group 1, 5½ cents; Group 2, 6½ cents; and Group 3, 7½ cents. Would you say that those proportions are just and reasonable, and may not they account for the very small proportion that your line receives, in some instances at least?

Mr. Culp: I do not think I am very competent to answer that. I should want to know how much the Georgia Southern & Florida earned, and what its business was before I could pass on that.

Mr. Boatright: Did not you see a statement of their earnings quite recently in which they declared a semiannual dividend of 2½ per cent. on preferred stock and 2 per cent. on common stock at the last meeting?

Mr. Culp: Well, I cannot answer whether that is an unreasonable rate or not. It is not out of line with the rates that are usually and generally allowed the other roads in the South and it is not my observation that the short roads in the South are unduly prosperous. Some of them are hardly making a living.

Mr. Boatright: On page 27 of the answer of the defendants in this case, reference is made to the Tifton & Northeastern rail-
439 road, 25 miles in length, which was formerly owned by one of the plaintiffs in this case receiving 2½ cents per hundred pounds on lumber, or 2 cents per ton per mile. The connection in which I find it would indicate that it was assumed to be an unjust and unreasonable exaction. What would you say about it?

Mr. Culp: As I said in regard to the Georgia Southern & Florida, I would have to know the conditions before I could answer that.

Mr. Boatright: Well, if it were a fact that the Tifton & Northeastern railroad was making twenty-five to thirty-five thousand dollars a year net, would it be reasonable or unreasonable?

Mr. Culp: Well, I do not know. I do not know how much this

lumber business at a 2½-cent rate contributes to their earnings, but if the whole business, if all that arbitrary were taken and added to the proportion north and the whole thing divided by mileage, yet and then the rates on lumber would be too low.

Mr. Boatright: That is, you mean that the existing rates are now too low from the initial points to destination?

Mr. Culp: Yes, sir; that is what I mean. When I say "too low," I do not refer to what rate on the lumber traffic it may be
440 necessary to make to sell the lumber, but I say that when the freight receipts of the Southern railway are 9½ mills per ton per mile and it costs it over 70 per cent. to operate, and when 72 per cent. of 9½ is nearly 7; and that the rate on lumber from the point of shipment in Georgia to the Ohio river is approximately 5 mills—between 5 and 6 mills, perhaps—I say that rate is too low if it were practicable to advance that rate to a higher figure.

Mr. Boatright: In your direct examination you spoke of the greatly increased expenditures necessary on the part of the railroads. Would not the same thing, and possibly in greater degree, on account of lack of organization, apply to the saw-milling industry?

Mr. Culp: I assume, of course, that their expenses have increased, just as the railroad's have increased, but not only has their volume of lumber increased during the prosperous times we have had in the recent past, but their prices have increased. The volume of traffic on the railroads increased, but there was no such increase in their rate of freight compared to the prices as applied to lumber and nearly every other commodity, and that is exactly the point
441 I make, that we ought to have been permitted to participate not only in the increased volume of traffic, but ought to have been permitted to increase our rates generally. We were able to increase them on some commodities and so far as we could we did, but we were not able to increase them at all commensurate with the conditions surrounding us.

Mr. Boatright: Mr. Culp, are not the greatly increased expenses of railroads due in very great measure to what might be termed fixed improvements, betterments—not keeping the property at what it was, but making it a great deal better than it ever was.

Mr. Culp: There is some of that, no doubt. That it is carried to any improper degree, I do not believe. I believe that if you have a depot which cost a thousand dollars and it may have deteriorated, and perhaps would not be worth over seven or eight, or five or six hundred dollars, and that depot burns down and you have to build a new one, unless it is a very expensive depot, or unless conditions have changed to make it very expensive, I say that that depot ought to be charged to operating expenses, even though the depot that was burned may not have been worth over seven hundred
442 dollars, and the new one may have cost a thousand. There are some expenses like that properly charged to operating expenses.

Mr. Boatright: How about relaying rails, much heavier rails, improving the grade, double tracking and such things as that; are they ever charged against operating expenses?

Mr. Culp: Double tracking is not charged against operating expenses, so far as I know. I do not speak for all the roads. The relaying of rails, I think, may be properly charged to operating expenses.

Com'r Fifer: What is the life of steel rails ordinarily?

Mr. Culp: I do not know exactly. I should say, of course, it is longer where there is light traffic and shorter where the traffic is heavier, but I do not know. I am not an operating man and do not keep posted about a great many of those things that perhaps I should.

Mr. Boatright: In almost all cases of relaying rails, it is with heavier and better rails and the property is better than it ever was before, is it not, Mr. Culp?

Mr. Culp: I do not think it is the universal rule that they
443 are heavier. We are laying 75 and 80 pound rails. We had them before. But whether the property is better or not, I think it is justified. If you take up a rail and lay another, perhaps the rails today may be made heavier and may not have cost as much as the original rails cost when they were laid down.

Mr. Boatright: But they are worth more and the property is more valuable?

Mr. Culp: They may be worth more or may not be worth more than the rails taken up. I know it is only a short time ago when iron rails that were taken up sold for more than the steel rails cost.

Com'r Prouty: You put your old rails in for sidings, do you not?

Mr. Culp: We are doing that now, but I understand some of the roads sold the old ones.

Com'r Prouty: Suppose you do put the old rails into sidings, do you charge the entire cost of the new rails to cost of operation?

Mr. Culp: I do not think it is done in that case. I know we keep an account of what we spend for sidings and I think that
444 part is not charged to operating expenses, but some operating man could speak more definitely on that.

Mr. Boatright: In that same line, the equipment, the heavier and better engines and cars, are they charged to operating expenses?

Mr. Culp: Well, if a new car takes the place of an old one, it certainly is and ought to be.

Mr. Boatright: Even though it be more expensive?

Mr. Culp: It may not cost as much or may cost twice as much. I do not think that has much to do with it. Addition to equipment is not charged to operating expenses at all, so far as I know.

Mr. Boatright: I refer only to where an old one is replaced by a new one.

Mr. Culp: It is proper for me to say that I do not know that even where it is replaced it is invariably charged, but it is my opinion that it ought to be.

Mr. Boatright: On page 14 of respondents' answer it states "Respondents admit that the existing rates on lumber yield some profit to the carrier." How could that be true of your line in view of the figures you have given of the cost per ton per mile of handling and your cost of maintenance?

445 Mr. Culp: I have not attempted to give the actual cost of maintenance. I stated when I said that, that it was illustrative. It is well known to this Commission and to yourself and to anybody that knows anything at all about traffic that there is an expense that is absolutely necessary and goes with the movement of new traffic that would not be incurred if that traffic were not moved, and there are certain other expenses incurred whether that traffic is moved or not. Now, to tell whether you are carrying business at a loss or not, traffic people endeavor as nearly as they can to see whether business pays them what it costs—what expense they will incur in moving the additional business as between moving it and not moving it. On that ground I say that we get as much or more for moving this lumber than it costs us to do it, as between carrying it and not carrying it.

Mr. Boatright: It would not be possible, would it, to tell just what it costs to perform any given service on a railroad?

Mr. Culp: I could not do it, and I do not know anybody else that could. Of course, you could take what was earned the year

446 before and what was paid out the year before and subtract one from the other and that is presumably the net earnings, but to tell how much was earned on a ton of freight and how much on a passenger, I do not think it can be done.

Mr. Boatright: In paragraph 17 of respondent's answer, it concludes with this sentence or portion of a sentence: "Practically all their flat-car equipment furnished for lumber shipments, sooner or later, moves over their rails south empty." Would not that be equally true of all other cars, that sooner or later they would move empty?

Mr. Culp: Well, I suppose it is possible to take any car and some time or other there was an empty movement of that car, but there is a more even distribution of loaded cars in the two directions in box cars than in flats with us. Over 85 per cent. of our flat cars south go empty, and while I do not know just exactly how the movement of box cars is, it is much more nearly even.

Mr. Boatright: It states here in the answer that in the case of the respondent, The Southern Railway, 85.3 per cent. of the flat-car equip-

ment moves south empty. Does that refer to the equipment owned by the Southern railway or to all the flats it handles?

447 Mr. Culp: It refers to the flats it brings south for lumber, its own and what it gets from connections.

Mr. Boatright: It does not refer particularly to the Southern Railway cars?

Mr. Culp: It refers to all flats it hauls south.

Mr. Boatright: In the last paragraph on page 17 of the answer, respondent states that they are obliged to pay a *per diem* charge, or rental, and by reason of that the cars are hauled south bound empty. Is it not a fact that while you pay that *per diem* you receive a like *per diem* on your own equipment, and does not one fairly equalize the other?

Mr. Culp: It does not equalize, but of course, if as many of our cars were on other lines as cars of other lines were on ours, it would equalize; but that is not always the case.

Mr. Boatright: It is stated in the answer and I believe in your evidence that the railroads have perhaps taken the initiative and have done a great deal by reductions in rates towards establishing and maintaining a market for yellow pine in the western territory under discussion. Now, if it is a fact that this increase in rates has taken this market away from these people to any appreciable degree after they have made large investments on the faith of these

448 reductions, would you or not say that those rates should be reduced or that they should be given reasonable opportunity to keep in that market and meet that competition?

Mr. Culp: I will say that my experience and observation is that the railroads have always ever since I have been in the business been prompt to respond to the necessities of the traffic, and I will say that they have been so especially as to the lumber traffic, and I will say further that I do not know of any reason why they should change their policy. I am sure they have not changed it but are just as much interested in this lumber business, or almost as much interested, as the manufacturers. While that is so, we have got a right to have a voice in determining when the proper time has come for a reduction, if a reduction be necessary. We do not believe that a reduction in the rate today would stimulate the purchase, except possibly as to those people who may have been holding off from buying in anticipation of a possible reduction. It is remote, of course, but they may have felt that it might come and thought they would buy as little as possible and save 40 or 45 cents per thousand. As I say, a reduction might cause those people to

449 buy a little more, but that it would cause a stimulation of business, I do not believe, and I have not talked with any railroad man that believes it. When you come to ask us to reduce a rate, we ought to have something to say. We think we are as

competent judges as you as to the conditions of the country and as to when is the proper time to reduce.

Mr. Boatright: Is it, or is it not, the theory of the roads in making this rate, first, that the railroads need the money and, secondly, that the millmen are able to stand it and the business will still move? Does that about sum it up? In other words, the traffic will stand it and the railroads need the money.

Mr. Culp: We have believed that the rates are not unreasonable and that means that the business will stand it. We need the money and, compared with every other thing and compared with the increased cost of operation and all that, we say the rates are reasonable, and a rate that is reasonable ought to stand if the business will move on it at all. I want to say right here that a rate may be entirely reasonable and yet not move business. Nobody will say that the rate of 25 cents a ton on coal from Birmingham to Coal Creek or Jellico would not be a reasonable rate. Perhaps it would be lower than reasonable. Nobody could claim it was unreasonably high, and yet not a ton of coal would under normal conditions move from Birmingham to Jellico. There is an illustration of a rate that nobody could claim was unreasonably high and that everybody would see was unreasonably low, and yet the business could not move on it.

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Mr. Boatright: Mr. Ellis has a few questions.

Mr. Ellis: Mr. Culp, who initiated this movement to raise the rates, what particular person?

Mr. Culp: Well, I do not know. As I said before, if the Southern people did their duty, they were among the first.

Mr. Ellis: What particular Southern Railway man is a member and comes in direct contact with Mr. Parrott's organization?

Mr. Culp: I think Mr. Powell, the freight traffic manager, is the member.

Mr. Ellis: Did you have any conversation with him about the time this was started?

Mr. Culp: I had conversations with him about the rates; I do not remember whether just at the time or not.

Mr. Ellis: Was it not the consensus of opinion between you and Mr. Powell and other controlling parties of the Southern railway that the lumber business was exceedingly prosperous at that time?

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Mr. Powell: Yes, sir.

Mr. Ellis: Did you not conclude from that opinion that it was a time for further division of profits between the railroads and the lumbermen?

Mr. Culp: We felt that the business would very easily stand it and when the Arkansas lines advanced their rates, which had been the cause of our putting in these low rates, we were very glad to advance. There need never have been, in my judgment, such a low

rate put into effect except for the competition from Arkansas. I think the business would have stood as high rates as now——

Mr. Ellis: You seized the first opportunity to advance them?

Mr. Culp: Yes sir; we were glad to put them in when the Arkansas lines advanced.

Mr. Ellis: With that idea and the controversy between the
452 railroad people and saw-mill people, was it not suggested by the railroad people that they could add this additional cost to the consumer?

Mr. Culp: Personally I do not recall having heard that stated to a shipper, but that was my view.

Mr. Ellis: Is there not a similar organization just west of here?

Mr. Culp: Yes, sir; very similar; not exactly the same, but very similar.

Mr. Ellis: Its objects and purposes are the same, are they not?

Mr. Culp: I think so.

Mr. Ellis: Did you have any participation in the framing of these articles of confederation which were referred to in your testimony?

Mr. Culp: Well, I do not remember whether I was present or not. I think the lawyers framed them.

Mr. Ellis: You were familiar and the parties connected with it were with these decisions you refer to?

Mr. Culp: Yes, sir; more or less.

Mr. Ellis: And you knew it was necessary to disclaim in this confederation any arbitrary method of fixing rates; in other
453 words, that it was necessary to leave everybody at least nominally free?

Mr. Culp: If you speak of a disclaimer you should see the old agreement under which we did not have independent action.

Mr. Ellis: But having been advised that you could not work this combination matter without that disclaimer it was put in?

Mr. Culp: I was never advised that. I was advised that we could not work with or without a disclaimer.

Mr. Ellis: What percentage of efforts to lower or fix rates that ever came before Mr. Parrott's organization where 75 per cent. of the members present wanted a rate changed were there that did not go into effect?

Mr. Culp: I do not know how many times, but innumerable times. I have innumerable times known where practically everybody except one man was in favor of raising the rate and it was not raised.

Mr. Ellis: You mean that unless you had unanimous consent you could not raise it?

Mr. Culp: There is no such thing as unanimous consent.
454 I mean to say that no line, if it wants to compete for business, can raise a rate on the same business unless the other lines do.

Mr. Ellis: Unless everybody agrees to it.

Mr. Culp: No, unless everybody does.

Mr. Ellis: Unless everybody does what?

Mr. Culp: Does raise the rate. They may go ahead and raise it anyway, as I stated here. Only recently there was an illustration where one line and perhaps others reduced the rates. The Southern railway, and perhaps others, refused to reduce. I instructed Mr. Powell, Mr. Green and Mr. Neal of the Southern railway, "Do not pay any attention to that rate. We will not reduce it."

Mr. Ellis: You give an instance, but is not the fact of the case that that instance is the exception and not the rule as to the effective working of this organization?

Mr. Culp: The rule is when rates are reduced by one or more roads, other roads competing for the same traffic do reduce and have to reduce.

Mr. Ellis: Are these agreements when they are put into effect violated?

Mr. Culp: There are no agreements put into effect. I want to state emphatically, and have stated it, that there is no such
455 thing as an agreement.

Mr. Ellis: I understand that. I will change the form of the question to meet your idea of verbiage. When a rate has been fixed, either by unanimous consent or by the dictation of the man in whom focal power is vested, is it ever violated?

Mr. Culp: The rates of the Southern railway are never violated. Its rates, as published are maintained.

Mr. Ellis: In other words, the people who without agreement fix the rates, stand to them.

Mr. Culp: No, I do not say that. I do think that there are probably fewer exceptions in this southern country of lines not absolutely maintaining their several individual tariffs than there were, but I can speak absolutely only for the Southern railway.

Mr. Ellis: As an expert, what is the practical difference in effect on the lines of transportation upon sellers and consumers where people separately fix an agreement and stand to it and where they confederate together and fix it and stand to it?

456 Mr. Culp: I assume between a shipper and a railroad that the effect on the shipper is the same whether the rate is made one way or is made another. It is a question of rate.

Mr. Ellis: Why is it that the Southern railway in making groups in Georgia fixed a less rate from the group where there was practically no timber and no saw-mill business than they did from groups that included all the active operations of the mills?

Mr. Culp: I think this is the way that that came about; I know it is partly the way: When I first began to know anything about the yellow-pine lumber from the South to the West there were shipments from Alabama and the rate from the South & North Alabama railroad was made one figure to a given point—one on box cars and one on flat cars. The Mobile & Montgomery was a separate road

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and the Mobile & New Orleans was a separate road. The Pensacola & Atlantic was built later. The rates from the South and North road being fixed, the rates from the Mobile & Montgomery were made higher and the rates on the Mobile & New Orleans were made still higher. When Georgia commenced to do business in the West, a line was similarly drawn, or perhaps two lines were similarly drawn. I think a line was drawn from Macon and
457 north against Montgomery and north. Down an imaginary or actual line it was the same as the Mobile and Montgomery and then perhaps there was another line below the same as the New Orleans & Mobile. That is the way these divisions of territory came about. I cannot say from memory what modifications were made since that time.

Mr. Ellis: Are there any allowances on equipment or any charge for equipmet on any other commodity by the railroads than lumber?

Mr. Culp: Charge for equipment?

Mr. Ellis: For equipping cars?

Mr. Culp: Well, there have been and perhaps are yet charges made for double-decking cars for sheep and hogs. No doubt competition has to some extent forced the railroads to furnish double-decked cars, but usually it was, and the policy is to greater or less extent for the shipper to pay those charges; when vehicles are loaded on flat cars, the shippers are required to stanchion them at their own expense, and the same way with stone and the same with a number of commodities on flat cars.

Mr. Ellis: You have rules on that subject when allowances are made for additional weight?

458 Mr. Culp: No allowances are made for additional weight on these things I have described. We have rules which show exactly about that.

Mr. Ellis: But as to inanimate objects and materials shipped, not perishab.., 'n you give any other article where the same situation as to lumber exists?

Mr. Culp: If you will allow me I will refresh my memory from the book of rules, or file it, or file the page.

Mr. Ellis: Has there not been a general reduction in freight rates the last few years, except as to lumber?

Mr. Culp: No. There have been on many articles reductions and between points reductions on all articles, but it has not been general.

Mr. Ellis: Is not the rate per ton per mile on other classes of freight less than it was two or three years ago?

Mr. Culp: Well, our rate per ton per mile for the year ending June 30, 1902, was 9.3 mills and this last year it was 9.5 mills.

Mr. Ellis: Now, right on that question of rate per ton per mile—you calculated that from the cost of carriage of all classes of freight?

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459 Mr. Culp: Revenue received from all classes.

Mr. Ellis: That is irrespective of the value of the goods or the amount?

Mr. Culp: Yes, sir; it is the average.

Mr. Ellis: Have you not recently reduced rates from Birmingham territory on pig iron?

Mr. Culp: We have.

Mr. Ellis: To what extent?

Mr. Culp: Fifty cents per ton, and we reduced it because of the building of four large furnaces on the northern lakes and on account of the prices at which Pittsburg furnaces were selling iron at points in Ohio, which those furnaces even with the reduced price could not meet. When that proof was shown—conclusive proof—we felt that it was necessary for us to reduce the rates if we expected to participate in the business.

Mr. Ellis: In addition to the motive which you admit, I believe you desired an increase of revenue because of the high prices the manufacturers were paying for it——

Mr. Culp: I did not say that. I did not say anything about the high prices. You may have inferred that from what I did say. I spoke of the conditions and everything connected with the

460 market.

Mr. Ellis: Is it not a fact that on account of the extraordinary allowances made to what are known as tap-line roads in the competing territory, the railroads, or trunk lines got so little out of the haul that they demanded an increase and that they have exercised their influence to impress on this section of the country—the roads representing this section of the country the necessity for this advance?

Mr. Culp: To what trunk lines do you refer—to the trunk lines in the East?

Mr. Ellis: The trunk lines in Mississippi.

Mr. Culp: When I spoke of trunk lines I spoke of the long lines that carry lumber for the various branch lines—I suppose the lines from Macon and Jackson.

Mr. Ellis: To be more specific, I refer to the Illinois Central railroad.

Mr. Culp: If you will repeat the question I will answer it.

Mr. Ellis: Under the peculiar conditions and allowances claimed and demanded by tap-line roads in that territory, is it not

461 true that the Illinois Central got a very small proportion of the amount paid for the service they rendered?

Mr. Culp: I do not know what they paid the Gulf & Ship Island road. That is not a tap line. It is a regular carrier of all sorts of freights and passengers, and regularly chartered. Now, I should say that the business the Illinois Central got from the Gulf & Ship Island railroad was new business, and as long as it got as much as it actually cost them to carry that new business, it was justified.

Mr. Ellis: Is it not true that preliminary to this raise, as compared with the transportation in Georgia, the Illinois Central got a very poor remuneration for the haul they made of lumber?

Mr. Culp: Well, it was a low rate I assume, but not lower per mile, perhaps, than the Georgia roads got.

Mr. Ellis: Did not the Mobile & Ohio and the Illinois Central take a prominent part in bringing about this conference before Mr. Parrott for the readjustment of these rates?

Mr. Culp: I do not know. I do not know whether they were represented or not. I was not present at that meeting. I do not know whether they were there.

Mr. Ellis: I have no further questions.

Mr. Baxter: Mr. Culp, you were asked on cross-examination
462 something about the rate on steel rails from Pittsburg to Cordele, Georgia. I will ask you if at one time a large part of the movement of steel rails from the eastern producing sections to points in the Southeast was not by short all-rail lines from the producing points to Baltimore and other eastern seaboard cities and thence by sail vessels at very low charter rates to Savannah, Brunswick and other South Atlantic and Gulf ports and thence inland to points of final destination at low rates by rail lines?

Mr. Culp: That is my understanding. I do not know about the exact rates.

Mr. Baxter: I will ask you if one of the largest rail-manufacturing plants is not located at tidewater at Sparrows Point, Maryland?

Mr. Culp: It is.

Mr. Baxter: Near Baltimore?

Mr. Culp: It is.

Mr. Baxter: And if that plant does not have the advantage of very low rates by sailing vessels to the various South Atlantic and Gulf ports?

Mr. Culp: And Virginia ports as well.

Mr. Baxter: I will ask you if it is not true that a few years
463 ago, in order to meet that situation and to so adjust the rates, not only from Sparrows Point, but other eastern rail manufacturing points competing with Sparrows Point, so as to enable the all-rail through routes to obtain some reasonable share of this important traffic, all-rail rates were established from Sparrows Point through Hagerstown, Maryland, Alexandria and Richmond, Virginia, to the various principal points of destination in the Southeast, and the all-rail rates from Sparrows Point, having been so fixed and determined, rates from other rail-producing points, including Pittsburg, Penna., were made the same or about the same as the all-rail rates from Sparrows Point?

Mr. Culp: Exactly the same, according to my recollection.

Mr. Baxter: You were asked about Mr. Parrott, chairman of the

Southeastern Freight Association, publishing tariffs for members of that association. I will ask you to file as an exhibit to your deposition rate issue No. 2947, amendment No. 14 to I. C. C. No. 1989, headed "Freight tariff of the following line, viz: Atlantic Coast Line Railroad Company in connection with Florida East Coast railway, Seaboard Air Line railway, advance notice No. 14 to supplement No. 1 to southeastern and southwestern cotton-goods tariff No. 1, effective November 2, 1903."

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(Same is hereto annexed and marked "Exhibit No. 1" to Mr. Culp's testimony.)

Mr. Baxter: Is not that the tariff of the individual line, the Atlantic Coast Line, filed by Mr. Parrott as its agent? Does it not so state on the paper?

Mr. Culp: Yes, sir; it does.

Mr. Baxter: Read the note at the bottom of it, please.

Mr. Culp (reading): "The rates, rules and regulations in this tariff are the separate rates, rules and regulations of the initial carrier named and its connections, and are compiled and published by me as agent of said carrier, and from the separate written declaration of said initial carrier." Signed S. F. Parrott, chairman, Southeastern Freight Association.

Mr. Baxter: Now, I ask you to file as an exhibit to your testimony rate issue No. 2998, headed "Freight tariff of each of the following lines, viz: Atlantic Coast Line Railroad Company, Central of Georgia Railway Company, Seaboard Air Line railway, Southern Railway Company, Western Railway of Alabama," in connection with certain specified railways, effective November 10, 1903, and ask you if he does not state on the face of the tariff that he prints and publishes it, not as the joint agent of those companies, but as the separate agent of each?

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Mr. Culp: This tariff bears this note: "The rates, rules and regulations in this tariff are the separate rates, rules and regulations of each of the initial carriers named and their connections, and are compiled and published by me as agent of each of said carriers and from the separate written declaration of each of said initial carriers."

(The tariff is hereto annexed and marked "Exhibit No. 2 to Mr. Culp's testimony.")

Mr. Baxter: That is all.

Mr. Ellis: In the method of procedure before Mr. Parrott, they "declare" instead of "agree;" is that it?

Mr. Culp: I have not attended many rate meetings recently, but when I did—and I know this to be the way now—a line announced through Mr. Parrott its desire to confer about a matter. For in-

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stance, it desires to reduce or advance a rate. Now, that is
466 brought up and the line states what it is going to do. If any line is interested in that rate, if its view happens to be the same as that of the proposer, the representative of that line probably says in effect, if not in words, those are my views; I think so too. If another line interested does not want the rate reduced or advanced, as the case may be, he makes all the arguments he can why that rate should not be reduced or advanced, and others the same way, and each gives every good reason—and some of them may not be good—why the change should not be made; and finally the Southern railway, for instance, if it was an opponent of a rate, its representative may say, "I feel that I did not have sufficient information and was wrong about it," but if on the other hand he says, "I am going to change it and I ask you, Mr. Chairman, to publish that rate for me," he publishes it, and the others are notified by notice. It is published and it naturally follows that if other lines want to compete they have to reduce too. It also naturally follows that one line cannot advance unless the others express the same views or come to the point that each will at or about the same time make the advance.

Com'r Clements: When you came to the conclusion that
467 this rate ought to be changed, what was the first step you took to make it effective?

Mr. Culp: My recollection is that Mr. Powell conferred with some of the other lines. At the conference we determined to advance the rates whether other lines did or not.

Com'r Clements: What other lines did he confer with?

Mr. Culp: I cannot say of my own knowledge. He can probably tell you. I think the first conference was in Florida.

Com'r Clements: Was it with the association of which Mr. Parrott is the head?

Mr. Culp: I think it was had with the lines.

Com'r Clements: You do not know what lines?

Mr. Culp: I do not.

Com'r Clements: There are certain rates on these roads members of this association where each one can reduce or raise a rate without saying anything to the association, are there not? Local rates? Is there any agreement or designation as to the rates that are to be the subject of the conference, that is, rates between junction points?

468 Mr. Culp: Well, in these days there is hardly any business that is not in a way competitive. Even lumber from local points on the Southern railway not reached by anybody else's line is just as competitive as if there were 10 lines there. If the Central of Georgia, or the G. F. & S., or the Coast Line reduces a rate, it necessarily follows that other lines in that territory must reduce. Certainly if the Southern railway should attempt to put in an advance from its line and other lines did not, it would probably suffer; yet,

nevertheless, we felt in regard to this lumber that the conditions were such that we could do it and we gave this notice.

Com'r Clements: If you were fully convinced, what was the object of conferring with the other roads?

Mr. Culp: Because we would rather have the other roads advance their rates than for us to put in an advance and have connections sending the business by other lines and have the shippers jumping all over our backs for advancing the rates.

Com'r Clements: The object of that was to secure an advance of the other rates simultaneously with yours?

Mr. Culp: Well, yes. It may be that other lines were
469 likewise coming to Mr. Powell. He will have to answer for that.

Com'r Clements: Well, there are two standing committees, I believe, under that organization, one called the classification committee?

Mr. Culp: Well, that is a separate committee. It is not part of the Southeastern Freight Association.

Com'r Clements: Who is at the head of that?

Mr. Culp: Mr. P. J. McGovern.

Com'r Clements: There is another committee. What is it called, a conference committee, or a rate committee?

Mr. Culp: There is a conference committee of the Southeastern Freight Association, and then there is another association at Louisville, called the Southeastern Mississippi Valley Association.

Com'r Clements: Now, the Southeastern Freight Association is the one that takes up this subject of changing rates, is it not?

Mr. Culp: Generally, yes, sir.

Com'r Clements: Do they not list all these propositions for changes of rates?

470 Mr. Culp: If a line wants a subject listed, they usually by courtesy write Mr. Parrott and say, "I would like to make this a matter of discussion and get the views of all lines." Certainly it is almost necessary for them to do that if they want to advance a rate.

Com'r Clements: Well, who is the head of that committee?

Mr. Culp: That is Mr. Parrott.

Com'r Clements: I thought there was a subcommittee or subordinate committee to his?

Mr. Culp: Well, he is chairman of the association and he is likewise chairman of the conference committee of the association.

Com'r Clements: How many members compose that committee?

Mr. Culp: One representative from each member.

Com'r Clements: Are you a member?

Mr. Culp: The Southern railway is and Mr. Powell is the individual.

Com'r Clements: You are familiar with the way they handle these questions?

Mr. Culp: I used to be; I think I am still.

Com'r Clements: Each member expresses his views either by vote or in some other way?

471 Mr. Culp: The matter is discussed and then probably when they have worn out each other talking, if they do not have a unanimity of view, one will say, "Well I will go ahead and do this anyway," or he may say, "I am convinced I am wrong and will drop it."

Com'r Clements: Don't they usually drop it unless every one there concurs in it?

Mr. Culp: If it is an advance, they usually do, but if it is a reduction, they do not usually.

Com'r Clements: Is there a record kept of those propositions or listed matters?

Mr. Culp: I believe there is.

Com'r Clements: And the disposition made of them?

Mr. Culp: There is usually no disposition made, except that a man says, I am going to give notice, or I will drop it. There is a record of those meetings.

Com'r Clements: If one member of the committee stands out and opposes the action proposed, does it not generally follow that the matter is dropped?

Mr. Culp: No. It almost always follows that it is dropped if it is an advance, but if it is a reduction, it is almost always not dropped.

472 Com'r Clements: The conference does not amount to anything when you want to reduce a rate, does it?

Mr. Culp: Not much, except to get the benefit of the advice of other people and their views. Suppose that here are two competing roads. One road goes ahead and sends to the Interstate Commerce Commission a reduction of 3 or 4 cents. The man on the other side will say, "I will see about that;" he goes 5 or 6; then the other fellow goes 1 or 2 below him. That might be "fun for the boys, but it is death for the frogs." It is deemed best to have a discussion about these reductions before they are made.

Com'r Clements: Do you mean now to say, on a full understanding of the question, that in most of the cases where there is a proposed reduction, it is carried out and made effective by the individual road?

Mr. Culp: A large number; I cannot say what proportion, but a very large number are made.

Com'r Clements: You are not familiar with the discussions that took place about these rates?

Mr. Culp: No, sir.

Com'r Clements: Mr. Powell knows about that?

Mr. Culp: Yes, sir.

473 Com'r Clements: That is all.

Com'r Prouty: Mr. Culp, you referred to the time when your rates from Georgia territory to Cairo were 23 cents on flat cars and 20 cents on box cars. The rate is now the same on box cars and flat cars, is it not?

Mr. Culp: Yes, sir; on our own rails.

Com'r Prouty: When that rate was 20 cents to Cairo what was it to Cincinnati?

Mr. Culp: Twenty cents.

Com'r Prouty: At present your rate is 16 cents to Cairo and 24 cents to Cincinnati, so that while your present rate is lower by 4 cents than it was in 1891 to Cairo, your Cincinnati rate is 4 cents higher than in 1891.

Mr. Culp: I was speaking from memory.

Com'r Prouty: When your rate to Cairo was 20 cents, what was your rate to Louisville?

Mr. Culp: Twenty cents.

Com'r Prouty: What is your present rate?

Mr. Culp: The rate on lumber from Alabama to Cincinnati was always 2 cents higher than to Louisville—2 cents or more

474 higher than to Louisville. When I said the rate to Cincinnati was 20 cents, I spoke from recollection and was under the impression that at one time the rate from Georgia to Cincinnati was the same as the rate from Georgia to Louisville. It is not the same from Georgia to Cincinnati today as it is from Georgia to Louisville. When that change took effect and whether it was in effect at the time you speak of, I will have to refresh my memory.

Com'r Prouty: What is the rate to-day from Georgia to Louisville?

Mr. Culp: Two cents less than Cincinnati.

Com'r Prouty: It is 22 cents today to Louisville?

Mr. Culp: Yes, sir.

Com'r Prouty: And 16 cents to Cairo?

Mr. Culp: Yes, sir. The rate to Cairo and Louisville were at one time the same. To Cincinnati, from Alabama territory, it was always 2 or more cents higher than to Louisville and sometimes it has been 2 cents higher from Georgia than to Louisville.

Com'r Prouty: So that at the present time your rate is higher to Louisville than it was in 1891 or 1893—I think that was the date.

Mr. Culp: Yes, sir; I think so; but before the reduction

475 of this rate to Cairo the rates to a large part of the territory north of the river were based on the Cincinnati or Louisville rates.

Com'r Prouty: You reduced the rate to Cairo for the purpese of getting into territory that bases on Cairo, did you not?

Mr. Culp: There was a certain rate from Arkansas to Cairo

that carried with it everything that would base on Cairo. We wanted to make a rate to Cairo to meet those points. If that carried the rates down so that we had to reduce Cincinnati and Louisville rates on that business, we did.

Com'r Prouty: Your object in reducing the Cairo rate was not to carry business to Cairo, but to reach territory that based on Cairo or which might be reached by a combination?

Mr. Culp: That is it.

Com'r Prouty: The Arkansas mill could ship to Cairo for 13 cents, and add the rate beyond Cairo and you desired to reach the same point at the same rate?

Mr. Culp: Yes, sir.

Com'r Prouty: Take a point like Detroit. I do not know exactly what the rate is from Cincinnati to Detroit. Assume that it
476 is 10 cents—do you remember what it is?

Mr. Culp: I do not, but my information is that as far east——

Com'r Prouty: We will assume that it is ten cents. The rate from Cairo to Detroit would be, perhaps, 13 cents. That would make the present rate through Cairo to Detroit 29 cents. Do you meet that rate?

Mr. Culp: Yes, sir.

Com'r Prouty: When you carry that traffic, you carry it to Cincinnati? It goes from Cincinnati at a rate of 10 cents. You get for carrying that traffic to Cincinnati 19 cents?

Mr. Culp: If those figures are correct.

Com'r Prouty: And your connection beyond gets 10 cents. So, in determining the amount you receive per ton per mile out of that traffic, it would not be fair to take your rate to Cairo of 16 cents and your distance to Cairo. You should take your division to Cincinnati and your distance to Cincinnati.

Mr. Culp: In arriving at figures I have given I have not taken the rates to Cairo alone; I have taken all points.

477 Com'r Prouty: In saying that since 1893 you have made this reduction, which would be a very marked reduction from Cairo, it would not follow that you made the same reduction on your Georgia business, by any means, would it?

Mr. Culp: It would absolutely to Chicago and practically all of Illinois and points north of Chicago, and whatever we might ship to St. Louis or points west of the Mississippi river. There was not so much reduction as that to points in Ohio and eastern Indiana, but the reduction in the rates to Cairo did reduce the rates to all territory north of the Ohio river as far east as Detroit and Columbus, Ohio.

Com'r Prouty: You absolutely advanced your rate to Cincinnati?

Mr. Culp: Yes, sir.

Com'r Prouty: And you have absolutely advanced your rate to Louisville?

Mr. Culp: Yes, sir, and to Cairo, also.

Com'r Prouty: For local consumption?

Mr. Culp: Yes, and we have advanced it to Cairo for beyond.

Com'r Prouty: I am comparing, now the present time, and
478 1893. Your rate today to Cincinnati is 4 cents higher than it was in 1893?

Mr. Culp: It is 4 cents higher, perhaps, than it was at one time. Whether it is higher than it was in 1893, I do not know. I would have to first determine when the rate from Georgia to Cincinnati was made higher.

Com'r Prouty: If you apply to all these rates your theory of reduction and advance, your rate to Cincinnati is too high, is it not?

Mr. Culp: I do not think so.

Com'r Prouty: You have not reduced that rate. Why should you advance it?

Mr. Culp: Because it is lower than it was at one time. It may be higher than it was in 1893. I will not say as to that until I can determine when we changed it.

Com'r Prouty: The highest rate you named here to Cairo was 20 cents, that was in 1891. That was the rate at that time to Cincinnati. Your rate to Cincinnati today is 4 cents higher than it was in 1891, assuming that you are right, and your rate to Louisville today is 2 cents higher than it was in 1891. Now, take a
479 point like Columbus; you say that the rate to Columbus makes on the combination through Cairo from Georgia points. Is the rate to Columbus from Mississippi territory a cent lower now than it is from Georgia territory?

Mr. Culp: From some points in Georgia.

Com'r Prouty: How does a traffic man justify that relation of rates? It is a little farther from Mississippi territory to Columbus than it is from Georgia.

Mr. Culp: If we go from Georgia—and I speak of the Southern railway and places where the rate is the same, as from Mississippi—if we go to Cairo at the same rate as from Mississippi to Cairo, we have not felt called upon to object to Mississippi coming to Cincinnati at the same rate that we come from our own stations in Georgia to Cincinnati.

Com'r Prouty: The point I had in mind was this: There seems to be a territory which lies pretty nearly north of Georgia that consumes this yellow-pine lumber, and there is another territory north of Mississippi that consumes it, and another territory that lies north of Arkansas, Texas, and Louisiana that consumes this same lumber. Suppose you were to make to Cincinnati—leaving the Cairo rate where it is—a lower proportional rate so that the rate to a
480 point like Columbus would make on Cincinnati and would be as low or lower than the rate which would make on Cairo,

does it not occur to you that that would give these Georgia men the territory to which they are entitled, and what effect would it have on your other business?

Mr. Culp: It would reduce the rate from Georgia, and I think as long as we use the Mississippi-to-Cairo rates as a basis of the Georgia-to-Cairo rates, we must use from Mississippi to Cincinnati the Georgia-to-Cincinnati rates.

Com'r Prouty: If you are going to permit Arkansas, Texas and Louisiana to come to Columbus through Cairo, why should you not at least make certain that Georgia gets there as cheaply as they do?

Mr. Culp: We do.

Com'r Prouty: They pay a cent higher.

Mr. Culp: I will explain where that cent is. You will recall that the trunk lines north of Macon and Montgomery have always borne the reductions. They thought they should have the advance. The lines south felt justified in advancing their proportions.

481 Com'r Prouty: The practical working of it is that Georgia pays a cent more to get into this territory north of Georgia than Mississippi pays, and a cent more to get into territory north of Mississippi, and a cent more to get into territory north of Arkansas; that is, Georgia is at a disadvantage. Does not that seem so?

Mr. Culp: Well, as I said, there is a discrimination. Whether it is an injurious one, I do not know. Georgia has an outlet for a large amount of business which Mississippi has not and Arkansas has not.

Com'r Prouty: Did this saw-mill business originate first in Georgia, Mississippi or west of the Mississippi river?

Mr. Culp: My first connection with it was in Alabama, although Mississippi may have shipped up there before that—well, in 1877 or 1878, 25 years or more ago. I know of a man who was then selling lumber in the Northwest and who has since made a fortune in the business and retired.

Com'r Prouty: Did you carry yellow pine from Georgia into territory north of the Ohio river to any extent on the rates then in effect?

Mr. Culp: Yes, sir; and long before it.

Com'r Prouty: That is all.

The Chairman: We will take a recess until 2 o'clock.

At 12:45 p. m. recess was taken until 2 o'clock p. m.

482 AFTER RECESS.

2 O'CLOCK P. M.

The Chairman: Resume the stand, please, Mr. Culp.

Mr. Culp resumed the stand.

Mr. Culp: Judge Prouty, I would like to say that the rates to Cincinnati, Louisville and Cairo from Georgia points were the same up to November 28, 1891, when the rate on lumber in flat cars was made the same as in box cars. The rate had been three cents higher on lumber in flat cars than in box cars.

Commissioner Prouty: The rate to Cairo was then made 17 cents, was it not—or 20 cents?

Mr. Culp: It was made 17 cents.

Commissioner Prouty: Was the rate to Cincinnati made 17 cents also?

Mr. Culp: No, sir. Then on September 6, 1892, the rate to Louisville was reduced two cents; the rate to Evansville was reduced one cent, and the rate to Cincinnati was allowed to stand where it was.

Commissioner Prouty: Which was at 20 cents?

Mr. Culp: 20 cents; that is, 20 cents over our road.

483 Commissioner Prouty: So that the rate to Cincinnati was then 20 cents?

Mr. Culp: Yes, sir.

Commissioner Prouty: The rate to Louisville was 18 cents?

Mr. Culp: Yes, sir.

Commissioner Prouty: And the rate to Evansville was 19 cents?

Mr. Culp: Yes, sir.

Commissioner Prouty: And to Cairo 17 cents?

Mr. Culp: Yes, sir. That was on September 6, 1892.

Commissioner Prouty: When was your next reduction?

Mr. Culp: The next reduction was made July 16, 1893, or about that time in 1893. I think that was the date. Cairo was reduced one cent, and on May 17, 1894, Cairo was reduced three cents more.

Commissioner Prouty: And Louisville and Cincinnati remained the same?

Mr. Culp: The same as they were on September 6, 1902.

Commissioner Prouty: At the present time is there any movement, or during the last year has there been any movement

484 of this lumber to Cincinnati for local consumption?

Mr. Culp: Yes, sir.

Commissioner Prouty: And how extensive has the movement to Cincinnati and Louisville been, for local consumption?

Mr. Culp: Well, I cannot tell how it compares with former years, but I have not any information that would indicate that the advanced rate to Cincinnati has had the effect of reducing the ship-

ments to that point below what they were, for Cincinnati local consumption.

Commissioner Prouty: Have you any statistics which would tend to show the quantity of this Georgia lumber or any lumber that moves over your line to Cincinnati or Louisville in such a way that it takes the full Cincinnati or the full Louisville rate—so that you would get the full rate out of it up to those points?

Mr. Culp: I doubt if we have that tabulated. Whatever it is, it is covered by the waybills. There may be a statement here and there that was made up for the traffic people, to serve their purpose, but we have no regular statement of that kind.

485 Commissioner Prouty: If you could find any statement of that, or if you have in mind who has approximate knowledge of that, I would be glad if you could produce that testimony.

Mr. Culp: I will see what can be done.

Commissioner Prouty: What is the rate from Mississippi territory or Louisiana territory to Cincinnati?

Mr. Culp: From Mississippi it is 23 cents.

Commissioner Prouty: Twenty-three cents. That is one cent lower than from Georgia?

Mr. Culp: It is 23 cents from our road in Georgia.

Commissioner Prouty: I thought you said it was 24 cents.

Mr. Culp: Twenty-three from our road, but 24 from these places in Georgia that take one cent higher than the standard in Mississippi.

Commissioner Prouty: It is the same from Alabama and Mississippi?

Mr. Culp: Yes, sir.

The Chairman: Mr. Culp, I infer from what has been said here that a large portion of the Georgia pine which passes over
486 your line originates on roads which you do not own or control?

Mr. Culp: From Georgia, yes.

The Chairman: And that arbitrary allowances out of the through rate are made to those originating roads?

Mr. Culp: Fixed proportions; yes, sir.

The Chairman: Varying from 1 to 5 or 6 cents?

Mr. Culp: Well, I think that in most cases the proportion which we allowed to the lines bringing us business was 4 cents until they made an advance to 5 or more. Taking a rate from our line between Macon and Brunswick to points on the Ohio river, the rate at one time was the same from points on the Georgia, Southern & Florida road and some other roads in Georgia. At that time we received from Macon to Ohio River points 4 cents less than we did from mills and points on our own road south of Macon, and that 4 cents went to the line south of Macon, and when they added a cent to that proportion it increased the rate one cent over the rate from our own stations; we got our own rate less 4 cents. We got the same as our

own rate—the same as the rate from points on our own road less 1 cents.

487 The Chairman: Does that mean when a rate on an originating road was advanced that the advance was added to the through rate?

Mr. Culp: When this 1 cent was added, yes, sir. In other words, that is what makes the rate from some of these roads that are not trunk lines 1 cent higher than from our roads.

The Chairman: But generally speaking, I infer the reduction on your line has been without any change, or without reference to any change in the arbitrary allowed to the originating road. Take the recent 2 cents advance; does the originating road get any of it?

Mr. Culp: No.

The Chairman: This is what I was coming to——

Mr. Culp: That is, not in connection with our line. I cannot answer as to the other lines.

The Chairman: Is your line in a situation to determine, or control, or limit the allowance made to the originating road out of the through rate?

Mr. Culp: We have, of course, the power to say how much we will pay from the junction point on any lumber that passes

488 over our road. We can do that and then give them a certain amount, and the remainder must be the proportion allowed beyond.

The Chairman: Evidently the allowance to the originating lines, which are mostly short lines, yields a very much greater rate per ton per mile than you get out of it?

Mr. Culp: Yes, sir.

The Chairman: Are you in a position to say to a given road, to an originating road: "We won't allow you what you have been getting out of this rate; we insist on your accepting less on this through rate than you are now getting;" are you in a position to say that?

Mr. Culp: We have the power to do it.

The Chairman: What would be the consequence if you undertook to do that? Would they send their lumber to the coast or in other directions?

Mr. Culp: If they could get a greater proportion for the same service from some other connection than by ours, of course, we would not get the business, or we would not be likely to get it. If we fixed our proportion at a figure which would allow them a revenue

489 not commensurate with what they would get by hauling the lumber to other destinations, naturally their efforts would be to send it to those destinations by those routes which would pay more.

The Chairman: That is a consideration which largely determines the amount you are willing or ought to allow originating roads?

Mr. Culp: That is one of the considerations. Another is the realization of the fact that those roads whose chief business is lumber and are handling lumber on short hauls, could hardly afford to haul it for as low a rate per ton per mile for a short distance as long lines get and which have other business.

The Chairman: By reason of considerations of that character you are confronted with the alternative, to an extent at least, of allowing the arbitrary or division that you do, or see the traffic go in some other direction by some other line?

Mr. Culp: We incur the risk of that.

The Chairman: Another point I want to touch upon and have your views a little further in regard to. Various witnesses——

490 Mr. Culp: Mr. Green calls my attention to the fact that while we did decline to allow the G. S. & F., as an illustration, more than four cents—that is to say, while we at first insisted on charging our rate less four cents, finally we did to meet competition by other lines allow a half cent.

The Chairman: Now, various witnesses for the complainants here have testified in effect, as I understand them, that under existing market conditions the imposition of this two cents advance has had the practical effect of shutting them altogether out of this so-called western market. Now you are desirous of getting traffic. If you make a rate which is prohibitory, why you lose the business, to say nothing of the effect on the man who desires to ship. What answer do you make to this statement of numerous gentlemen here during the last few days that under the conditions which actually prevail this present rate practically operates to shut them out of this western market?

Mr. Culp: My answer to that is, as I testified this morning, that my firm conviction as gathered or formed from talking with

491 people in a position to know, railroad people and people who advance money that if we were to reduce today the rates to the figure that they were before it would have no important effect in stimulating the business. I have talked to one or two lumber people, people interested in the lumber business, in selling lumber. They say that is a fact in their opinion. Whether the conditions would have occurred in the trade which exist, whether the falling off in business would have occurred just when it did if we had not advanced the rates, I cannot say and of course no one can say, but it would certainly have occurred very soon after it did occur if not at the time when it did occur. If we reduce our rates now Arkansas will naturally reduce its rates and there will be no relief to the Georgia or Mississippi mills as against Arkansas different from what it is now. The railroads generally in this southeastern country, the Southern railway and the other railroads, are just as much alive to the market conditions with respect to this lumber traffic and what will induce its movement and what will prevent its movement as

the lumber people themselves. We have a large interest in it. Some of the roads in the South have such an interest in it that if
492 their lumber shipments were cut off they could hardly exist in a solvent condition. We say that it is our business to watch the market conditions and that we have some right to have some voice and that we ought to have some voice in helping to determine what is the proper time to reduce these rates. We say that a reduction now will not stimulate the business.

The Chairman: It appears to be the fact,—it certainly must be assumed that these gentlemen have testified truthfully—that whereas they were shipping quite a large percentage of their total output to these western markets that now they are making comparatively few shipments to those western destinations, or none at all. You apparently attribute that largely, or wholly, to the lessening demands in the consuming markets, and apparently you would have us infer that you do not regard this two cents advance as actually cutting any figure.

Mr. Culp: Mr. Chairman, eight months ago or a year ago our people in placing orders for cars had difficulty in getting them promptly delivered. The car works were not soliciting orders. They had more than they could do, and they were buying lumber freely because they were running full. Now for some time our com-
493 pany has been besieged by builders of cars to give them orders, but we are not placing any orders for cars. My information is that the same thing is true to a very large extent of other lines. That takes away the demand for a considerable portion of the lumber trade from Georgia. It is a matter of general notoriety that it has been quite difficult to borrow money in the East or procure money in the East, for improvements, for any sort of improvements, and the natural result of that is to stop new work and probably check that which has already been determined upon. I cited this morning some instances that I knew of where work had been stopped in improvements because of what might be called the tight-money market or difficulty in borrowing or securing money.

The Chairman: Accepting the fact that they are not now shipping to the West, as it is called here, anything like the percentage of their total output that they did a year ago, you explain that fact be changed conditions in the market and the falling off in the demand for these particular kinds of lumber. They find the explanation in the advanced freight rate. You insist that it is because the demand for that lumber has very largely diminished.

Mr. Culp: I do; yes, sir. I do.

494 The Chairman: And for that reason you say that if the rate were restored to the figures which prevailed before this two cents advance these same kinds of lumber would not move to these western destinations more freely?

Mr. Culp: That is unquestionably my firm conviction.

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The Chairman: Another thing: In determining to make this last advance of two cents were you influenced by the belief that the market prices of lumber were still advancing and that the lumber producers as a class were rather exceptionally prosperous?

Mr. Culp: At the time this advance was first considered by us there was unquestionably a demand for lumber. Bear in mind that this advance so far as the Southern railway is concerned was contemplated some time before the fourth day of February—probably as early as December. Notice was finally given, however, on the 4th day of February that the advance would be made, but there had been large sales made we had been told and we made an investigation as to the probable time it would take in which to ship out these large sales which had been made based on existing rates, and information we had showed that 56 days would probably clean up the shipments, but to be liberal and give time enough we fixed
495 it at 65 days. Now just what time, if at all, between February 4th and the expiration of the 65 days—what was the date?

Mr. Green: April 15th.

Mr. Culp: Just what time, if at all, between February 4th and April 15th the demand began to fall off I do not know.

The Chairman: I got the impression from something you said this morning and from the questions which were asked the witnesses yesterday and the day before on cross-examination that it was the railroads' theory that this industry had been extremely prosperous and from your standpoint the rate was a very low one and therefore the lumbermen could well afford to have that rate advanced up to what you regard as a reasonable figure and that your belief that they were in that prosperous condition was largely the reason for making this advance.

Mr. Culp: It might be proper to modify that in this way: The railroads were not desirous of taking a part of the profits of the lumbermen simply because they were prosperous, not at all; but it was absolutely essential that we should increase our earnings in order to meet our increased expenses. When that became a necessity
496 we naturally looked about to see where we could best and without injury get that additional revenue and where we could increase rates, and one of the commodities which we thought would bear an advance was lumber and we believed and still believe now firmly that just as much lumber will be shipped under these rates as under lower rates, quite as much.

The Chairman: These gentlemen testified not only that the advance in the price of lumber has not been in proportion to the increased expense incident to its production but that in point of fact lumber prices now are lower than they were a year ago and not very much higher than they were at the time these low rates came

in; that instead of this industry being a prosperous one it is conducted now on a very narrow margin.

Mr. Culp: There was evidence at Macon that the prices were very much higher than they had been when the previous low rates were in effect. To the railroads generally and to other buyers or consumers of lumber the prices were higher than they were or higher than they have been previously.

The Chairman: Returning to that point, Mr. Culp, as a traffic manager if you advance a rate and found that the particular
497 traffic to which it applied no longer moved or that it moved in a greatly diminished volume and shippers asserted that the cause of that falling off was the increased transportation charge, would you not consider seriously the question of restoring that rate to see whether they were right in their contention or whether you were?

Mr. Culp: I would, but I want to say this: Every man, at least every prudent man, tries to get just as much as he can for his money; in other words, applying that rule to the shipper, the shipper always or practically always tries to get as cheap a rate as he can. It is the business of a careful traffic manager to get all the information he can from shippers and then confirm that by information from other sources, to get all the other information he can avail himself of. Naturally shippers will try to get lower rates, and especially is that true when there is a cessation in the demand or a decrease in the demand. They hope and they expect—I am speaking now from the experience of a great many years—that a reduction in rate will stimulate the demand. Sometimes it will and sometimes it will not. All the information we can get makes the railroad people
498 believe that it will not do it now. It may be said that if you cannot move much lumber under the existing rates to the West why not reduce the rates? Why not try it? For two reasons: First, because we are firm in the belief that it won't do it and if we reduce the rates we would lose revenue on that which we are moving and will move, and then, too, it is a pretty difficult matter now with a great many roads in a number of sections interested, a very difficult matter, to advance the rate and if we should reduce the rates and then find that it did not stimulate business, that there was no increase, we might find it very difficult to get the rates advanced.

The Chairman: Something you said before recess implied a settled opinion on your part that if you restored the lumber rate that the lines west of the Mississippi would reduce theirs two cents also. What is your reason for believing that? Why must a rate from the lumber-producing regions west of the Mississippi into Ohio, Illinois and Indiana and that part of the middle West be as low as from Georgia and Alabama?

Mr. Culp: I believe it because for a long period the rate from

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Arkansas to Cairo and points in that territory beyond that
500 base on Cairo has been as low as from Mississippi and as low as from our line in Georgia. I had an interview with some of the officials of the Arkansas lines some time ago, several months ago, and they took the position that it was an injustice to the Arkansas lumber people for them to have to pay as high rates as Mississippi and Georgia lumbermen. They contended that the rates ought to be two cents per 100 pounds less from Arkansas than from Mississippi.

Commissioner Prouty: The distance is less, is it not?

Mr. Culp: I have not figured it.

Commissioner Prouty: To Cairo it must be less.

Mr. Culp: Yes, sir—not less than from Mississippi. But they say the quality of the lumber and other advantages that Georgia had, the fact that they produced car sills and all that sort of thing, the difficulty they found in placing their lumber as against superior lumber from Mississippi and Georgia entitled them to a two cents less rate, and they talked very seriously about going in and making a contest on that line. With knowledge of those facts I know they will reduce the rates to correspond to any reduction from this country made to that territory north of the river beyond Cairo.

500 The Chairman: Under the present adjustment and that which has prevailed for a number of years it is said that lumber originating west of the Mississippi river can reach the markets very far east of the Mississippi river on equal terms with Georgia and Mississippi lumber.

Mr. Culp: It was testified yesterday that Arkansas was a large shipper of lumber to points east, as far east as Boston. That was the first information I had that that was the case. Our traffic people who are supposed to keep in touch with the situation, and who do keep in touch with the situation have no such information that to Pittsburg and Buffalo and east of there, to Boston the Arkansas lumber competes to any considerable or material extent with the pine from sections in the Southeast.

The Chairman: But the Arkansas lumber can reach points like Detroit and Michigan City on the same rate, can it not?

Mr. Culp: I do not know definitely about that. The Arkansas lines make their rates to Cairo the same as the rates from Mississippi.

The Chairman: I know.

501 Mr. Culp: And then they add the arbitrary. Wherever the rates base on Cairo they have as low rates from Arkansas as from Mississippi or our road in Georgia, and wherever the rates base on Cincinnati or Louisville, which is the case with Pittsburg and Wheeling and Dayton and that country farther east, then it is my understanding that they do not have as low rates as from Arkansas.

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The Chairman: Can lumber which originates in Georgia reach destinations west of the Mississippi river?

Mr. Culp: At one time it did. I think the business has very materially fallen off there.

The Chairman: I mean so far as the rates are concerned.

Mr. Culp: The rates from Arkansas to the Missouri river, for instance, would be less.

The Chairman: They would be lower?

Mr. Culp: Yes, sir; they would be lower.

The Chairman: Whereas the lumber produced west of the Mississippi can reach a large territory east of the Mississippi river on equal freight charges with lumber from the Southeast, the reverse of that proposition is not true?

502 Mr. Culp: I think the converse is to an extent true—that Georgia and Mississippi lumber can reach Cincinnati and Pittsburg and the eastern points either through Cincinnati or Alexandria or Huntington or via coast points at less rates than Arkansas reaches those eastern points.

Commissioner Fifer: Your rate to Cairo is one cent higher than the Arkansas rate?

Mr. Culp: Not the rates from the Southern railway, but the rates from most of the territory that ships in Georgia are.

The Chairman: You originally reduced your rate to 17 cents to meet the Arkansas rate, and then to 16 cents, and finally you reduced it to the same as the Arkansas rate, which was 13 cents?

Mr. Culp: We did not reduce it originally to meet the rate. We were experimenting to see what it was necessary to do, and finally we got down to the 13 cents, the same rate as from Arkansas.

The Chairman: What was the result of that experiment in reducing to 13 cents, when your rate and the Arkansas rate were the same?

503 Mr. Culp: The roads in the Southeast found the Arkansas lumber shipments growing and they finally came to the conclusion that they would make the rates the same with a view to protecting to a reasonable extent the business which they had been enjoying.

The Chairman: Did reducing the rate to 13 cents, to the same as the Arkansas rate, increase your business in the West, in Illinois, Indiana, etc.?

Mr. Culp: I cannot say now whether it increased it or not, but probably it protected it or maintained it at what it was just before it was reduced.

The Chairman: That was an experiment you say?

Mr. Culp: The first reductions were experimental and the reduction to the same rate as existed from Arkansas was in order that there would be no advantage.

The Chairman: Who took the initiative in the increase of that 13-cent rate?

Mr. Culp: From what territory?

The Chairman: The 13-cent rate—the Cairo rate—both from Arkansas and from this side of the river.

Mr. Culp: I do not know who took the initiative from Arkansas or Mississippi, but I assume that the Southern railway, as I have said twice today I think, was quite as active as anybody else and quite as early in the action.

Mr. Boatright: There was no attempt on the part of the roads east of the river to still further reduce the rate when you reduced your rate to 13 cents, was there?

Mr. Culp: Not that I remember or am aware of.

Mr. Boatright: How long did the rate remain 17 cents? Just about how long?

Mr. Culp: I think it was from 1894 17 cents—from May 17, 1894, to September 8, 1899, more than five years.

Commissioner Prouty: You said if you reduced your rate to Cairo the Arkansas lines would do the same thing. Do you think if you were to put in a proportional rate to Cincinnati of say 17 cents that that would lead to a reduction by the Arkansas lines to Cairo?

Mr. Culp: I doubt if it would result in an immediate reduction. I cannot answer very definitely but I doubt if it would result immediately in a reduction.

Mr. Boatright: Have you within your control a copy of the agreement of the Southeastern Freight Association that was in effect at the beginning of this action? Have you the one that was in effect in the early part of this year?

Mr. Culp: I think likely I could procure one.

Mr. Boatright: Will you please file that?

Mr. Culp: I will if I can get one.

Commissioner Prouty: Those are all on file with the Interstate Commerce Commission and you can get a copy there if Mr. Culp cannot get one.

Mr. Boatright: Previous to the advance in the lumber rates you stated that an increase in revenue had become necessary and that your company had to look to some source for it. Were the rates increased on any other considerable number of commodities at about this time, except lumber?

Mr. Culp: There were increases on pig iron amounting to not less than $1 a ton.

Mr. Boatright: Is there anything else? Had not pig iron increased very materially in price at that time?

Mr. Culp: Yes, sir.

Mr. Boatright: Has the price since fallen off any?

Mr. Culp: Yes, sir; very much.

Mr. Boatright: And you have reduced the rate?

Mr. Culp: Not, however, altogether because the price has
506 fallen off, but because of competition, as I testified this morning from Pittsburg and from Lake points. Actual sales were made at prices which the furnaces in the South even with the reduced prices added to our rate could not meet.

Mr. Boatright: In your testimony this forenoon, Mr. Culp, I understood you to say that Georgia had further outlets for its lumber that Mississippi did not enjoy. Am I correct in that understanding?

Mr. Culp: I think I spoke more directly with reference to Arkansas, but Mississippi does not, I understand, ship to the East; it has not the same facilities for shipping to the East that Georgia has.

Mr. Boatright: You think, then, there is not as much lumber moving through Gulf ports, Mobile and Pensacola, as moves through Jacksonville, Brunswick and Savannah to the East?

Mr. Culp: I do not think Pensacola is a part of export or shipment for Mississippi lumber to any extent.

Mr. Boatright: It could be so used, could it not?

Mr. Culp: I don't know; but Mississippi has Mobile and
507 it has other Gulf ports it could ship from, but there is no regular line of steamers from those Gulf ports to the East. There is a line which has infrequent sailings from Mobile to the East. From the South Atlantic ports there are regular lines from Brunswick, Savannah and Charleston to the Virginia ports. I am informed that the rate of insurance is less. I am informed that the schooner rates are less from the South Atlantic ports than from the Gulf ports also.

Mr. Boatright: Is not a large quantity of this lumber handled by sailing vessels on contracts or charters that regular lines could not influence to any extent?

Mr. Culp: There is a proportion that uses schooners, but there is likewise a movement by nearly every sailing of the regular lines that ply from South Atlantic ports to the East.

Mr. Boatright: You contend that Mississippi would be at a disadvantage in reference to shipments of lumber to the East. Would it not have a corresponding advantage to Mexico and South America and Cuba, and is it not a fact that Mississippi does export a good deal of lumber to those countries?

508 Mr. Culp: It is my understanding that it does export to some extent. How the steamer rates from Mobile and Gulf ports would compare with those from South Atlantic ports I cannot at this moment tell you.

Mr. Boatright: Under the groupings of the lumber territory in Georgia your line takes relatively the Mississippi rate. Take the G. S. & F. to illustrate. Their Group I is one cent higher and Group II two cents and Group III three cents, making an average if the territory were evenly divided of two cents. Is it not possible for Mississippi to ship all rail as far East possibly as Pittsburg to all

OPY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

of the Buffalo-Pittsburg territory at two cents less per hundred than the shorter distance from Georgia—two cents less per 100 than Georgia can ship at the present time?

Mr. Culp: It is my understanding that Mississippi can ship through Cincinnati to that territory as low as Georgia shippers on the Southern railway can ship through Cincinnati to that territory.

Mr. Boatright: That would be an average of two cents from G. S. & F. territory.

509 Mr. Culp: Of course that is your figuring. Whatever the difference is over and above our rates would be that much in excess of the Mississippi rate.

Mr. Boatright: Under present rates are there any considerable number of points in the West that base on either Cincinnati, Louisville or Evansville? Does not practically everything base on Cairo?

Mr. Culp: I think that from 80 to 85 per cent. of the business would base on Cairo.

Commissioner Prouty: Let me understand. What do you mean by that? Do you mean that 85 per cent. of the lumber which moves from Georgia moves to points which base on Cairo?

Mr. Culp: Moves from Georgia through the Ohio River gateways. That is more or less of an estimate of course.

Mr. Boatright: Would you not say that 85 per cent. of the points to which shipments are made based on Cairo, or more—perhaps 90 per cent. or 95 per cent.?

Mr. Culp: I would say off-hand that the points and the business would be divided about the same.

510 Mr. Boatright: As near to Cincinnati as is Dayton that 4½ cent arbitrary from Cincinnati applies, which added to the Cincinnati rate of 24 cents makes 28½ cents. Is not the rate now 27?

Mr. Culp: I will refer to the tariff.

Commissioner Prouty: While he is looking that up Mr. Boatright I want to ask you this; something was said about car works at Mt. Vernon. Is that Mt. Vernon, Indiana or Illinois?

Mr. Boatright: Illinois.

Mr. Culp: Mr. Green gives me the rate from the Georgia Southern & Florida road, from their Group No. 1, I suppose, to Dayton as 28½. That is based on——

Mr. Boatright: They issue in their supplement I. C. C. No. 216 a correction of that making it 27 cents; also correcting Michigan City.

Mr. Culp: I assume that is a fixed rate, not based on combination. Is that right?

Mr. Green: The Chicago rate is used as a maximum.

Mr. Culp: It is not based on Cincinnati combination or the Cairo combination.

MING – POSSIBLE BLURRED PAGES

511 Commissioner Prouty: Do you mean the Chicago rate is applied to that point?

Mr. Culp: I so understand—as a maximum.

Commissioner Prouty: Why? Is it in 100 per cent. territory and you undertake to apply that rule?

Mr. Culp: I suppose it was because the pressure was so great to reduce that rate to Dayton as low as Michigan City. Michigan City is contiguous to Chicago. Now, there are car works at the two places, at Dayton and Michigan City, and the Dayton people said "We cannot pay a higher rate than Michigan City," and so it was reduced. That is what I understand to be the explanation of it.

Mr. Boatright: It is a fact, then, that lumber in the States west of us for the manufacture of cars can reach all these car-manufacturing points cheaper than the Georgia lumber can reach them?

Mr. Culp: I do not think that is true as to Dayton. I doubt if it is true as to Michigan City. But an examination of the tariffs will show that.

Mr. Boatright: You stated a while ago that you allowed the G. S. & F. four cents originally—let me go back a little: Originally the rates from the G. S. & F. were the same as from your

512 line. Am I correct?

Mr. Culp: That was my statement, I think.

Mr. Boatright: And at that time you allowed them four cents out of that, and subsequently four and one-half cents. Now under the present rate they get 5½, 6½ and 7½ from Groups 1, 2 and 3 respectively. How does that come about? I have the division sheet before me here.

Mr. Culp: Four and one-half cents of it is allowed by the Southern railway and the cent additional is what I presume they added on to their proportion, which makes a cent higher than the total from the Southern railway in Georgia, Group 1.

Mr. Boatright: From Group 1, one cent; Group 2, two cents and Group 3, three cents?

Mr. Culp: I so understand.

Mr. Boatright: That is all.

Mr. Baxter: You may stand aside, Mr. Culp.

Witness excused.

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512a **Exhibit No. 1 to Mr. Culp's Testimony.**

(See p. 464.)

Rate Issue No. 2947.

Amendment No. 14 to I. C. C. No. 1989.
Supersedes in Conflict I. C. C. No. 1989.

Freight tariff of the following line, viz:

Atlantic Coast Line Railroad Company,

In Connection with Florida East Coast Railway, Seaboard Air Line Railway.

Advance Notice No. 14 *to Supplement No.* 1 *to Southeastern and Southwestern Cotton Goods Tariff No.* 1.

Effective November 2, 1903.

From—	To—	Per one hundred pounds. Cotton goods. (See note 1, page 2 of Tariff.)									
		Savannah.....Ga.	Brunswick.....Ga.	Fernandina.... Fla.	Jacksonville... Fla.	Mayport.....Fla.	Lake City (proper), Fla.	Lake City (for Palatka), Fla.	Live Oak (proper), Fla.	Live Oak (for A. C. L. south), Fla.	Gainesville.....Fla.
Darlington.....S. C..		38	43	43	43	43	72	43	76	43	75
Dillon..... " ..		38	43	43	43	43	72	43	76	43	75
Hartville..... " ..		38	43	43	43	43	72	43	76	43	75
Marion..... " ..		38	43	43	43	43	72	43	76	43	75

Supersedes in conflict and amends rate issue No. 2519 (Southeastern and Southwestern Cotton Goods Tariff No. 1.)

H. M. Emerson, T. M., A. C. L. R. R. Co.

The initial carrier reserves the right to route through to destination property delivered it for transportation at the through rates shown in this tariff.

The rates, rules and regulations in this tariff are the separate rates, rules and regulations of the initial carrier named and its connections, and are compiled and published by me as agent of said carrier, and from the separate written declaration of said initial carrier.

S. F. PARROTT,
Chairman Southeastern Freight Association.

Atlanta, Ga., October 27, 1903.

Declaration No. 1163. 1200.

512*b* **Exhibit No. 2 to Mr. Culp's Testimony.**

(See p. 465.)

Rate Issue No. 2998.

Freight tariff of each of the following lines, viz:

Atlantic Coast Line Railroad Company, Central of Georgia Railway Company, Seaboard Air Line Railway, Southern Railway Company, Western Railway of Alabama.

In Connection with

Albany & Northern Railway.
Alabama Great Southern Railroad.
Atlanta & West Point Railroad.
Atlanta, Knoxville & Northern Railway Co.
Atlanta & Birmingham Air Line Railway.
Charleston & Western Carolina Railway Co.
Chattanooga Southern Railroad.
Georgia Railroad.
Georgia Southern & Florida Railway Co.
Louisville & Nashville Railroad.
Macon & Birmingham Railway Co.
Macon, Dublin & Savannah Railroad.
Mobile & Ohio Railroad.
Nashville, Chattanooga & St. Louis Railway.
South Georgia & West Coast Railway.
Tifton, Thomasville & Gulf Railway.
Tifton & Northeastern Railroad.
Wrightsville & Tennille Railroad.

Effective November 10, 1903.

From	Per ton, 2,000 lbs.	From	Per ton, 2,000 lbs.
Florence, - - - Ala.,	Fertilizer.—C.L., 30,000 lbs., minimum.	Florence, - - - Ala.,	Fertilizer.—C.L., 30,000 lbs., minimum.
To—		To—	
Albany .....Ga..	3.30	Griffin.....Ga..	2.80
Americus .....Ga..	3.30	Hawkinsville.....Ga..	3.30
Athens. .....Ga..	2.95	Knoxville. .....Tenn..	2.35
Atlanta.....Ga..	2.57	Macon.... .....Ga..	2.90
Augusta..... .....Ga..	2.95	Milledgeville.. .....Ga..	3.00
Columbus.....Ga..	2.90	Moultrie..... ....Ga..	4.74
Cordele.....Ga..	3.30	Opelika ....Ala..	2.90
Dalton.....Ga..	2.55	Quitman..... Ga..	3.90
Dawson .... Ga..	3.30	Rome .....Ga..	2.55
Dublin.....Ga..	3.30	Thomasville.....Ga..	3.90
Eufaula.....Ala..	2.90	Tifton ....Ga..	3.90
Fort Valley.. .....Ga..	3.10	Valdosta.....Ga..	3.90

H. M. Emerson, T. M., A. C. L. R. R. Co.
W. E. Estes, G. F. A., Central of Ga. Ry. Co.
C. R. Capps, G. F. A., S. A. L. Ry.
T. C. Powell, F. T. M., Southern Railway Co.
R. E. Lutz, T. M., Western Railway of Ala.

The initial carriers reserve the right to route through to destination property delivered them for transportation at the through rates shown in this tariff.

The rates, rules and regulations in this tariff are the separate rates, rules and regulations of each of the initial carriers named and their connections, and are compiled and published by me as agent of each of said carriers and from the separate written declaration of each of said initial carriers.

S. F. PARROTT,
Chairman Southeastern Freight Association.

Atlanta, Ga., October 27, 1903.

Declarations Nos. 987 and 1342. 1000.

512*c* Southern Railway Company, Office of Fourth Vice-President, 1300 Pennsylvania Avenue.

J. M. Culp, Fourth Vice-President.

WASHINGTON, D. C., *December* 3, 1903.

W. File 125.

Hon. Edw. A. Moseley, secretary Interstate Commerce Commission, Washington, D. C.

MY DEAR SIR: On pages 405 and 406 of my testimony in the case of the Georgia Pine Lumber Association, given in Atlanta, October 28, 1903, I promised, in reply to Judge Baxter's questions, to furnish the average distances from Arkansas, Texas and Louisiana points, and from Georgia group points, to Cairo.

In accordance with this promise, I beg to advise as follows:

The average distance from Georgia Group 2, and Georgia Group 3 points to Cairo, is 664 miles and 695 miles respectively.

The average distance from Arkansas points to Cairo is 365 miles.

The average distance from Louisiana points, taking Sibley, La. as a central shipping point, is 449 miles.

The average distance from Texas points, taking Tyler, Tex. as a central shipping point, is 550 miles.

Yours truly,

J. M. CULP,
Fourth Vice-President.

512*d* Southern Railway Company, Office of Fourth Vice-President, 1300 Pennsylvania Avenue.

J. M. Culp, Fourth Vice-President.

WASHINGTON, D. C., *December* 7, 1903.

W.

Hon. Edw. A. Moseley, secretary Interstate Commerce Commission, Washington, D. C.

MY DEAR SIR: On pages 404 and 405 of my testimony, in the case of H. H. Tift, *et al.*, for the Commission, appears a colloquy between Commissioner Prouty, Mr. Boatright and myself, with regard to filing, as a part of the record, a copy of articles of association of the Southeastern Freight Association. Although the commissioner stated to Mr. Boatright that these articles were on file with the Interstate Commerce Commission and accessible, still as a matter of convenience to the Commission and Mr. Boatright, I attach hereto a copy of the articles of association which were in effect April 15th 1903.

Respectfully,

J. M. CULP,
Fourth Vice-President.

512e Circular Letter No. 15, Series 1902-1903.

THE SOUTHEASTERN FREIGHT ASSOCIATION.

Articles of Association of the Southeastern Freight Association.

(Printed and distributed October 4th, 1902.)

For the purposes set forth in the following articles, the companies subscribing hereto form the Southeastern Freight Association.

ARTICLE I.

SECTION 1. An executive board is hereby created, composed of either the president, vice-president, general manager or other officer of each member of the association, as designated annually by such member; but each officer thus designated may appoint any other officer or agent of his company, as proxy, with power to represent him at any meeting of said board.

SEC. 2. The executive board shall elect its own chairman. Said board shall also elect the chairman of the association, and shall fix his term of service and salary. All expenses of the association shall be subject to the review and approval of the executive board, or of a committee to be appointed by said board.

SEC. 3. The executive board shall meet upon the written request of two or more members thereof, or upon the call of its chairman.

SEC. 4. A majority of the members of the executive board, present or represented by proxy, shall constitute a quorum.

SEC. 5. It shall require the unanimous action of those present, in person or by proxy, to adopt any motion or resolution that may be made before the executive board.

SEC. 6. The executive board shall have power to reconsider any subject that may have been considered by the conference committee hereinafter provided for.

ARTICLE II.

SECTION 1. Each member of the executive board shall appoint a traffic officer of his company, and such traffic officers, thus 512f appointed, shall constitute a conference committee. Any traffic officer appointed a member of the conference committee may appoint any other officer or agent of his company as proxy, with power to represent him at any meeting of said committee. A majority of the members of the conference committee, present or represented by proxy, shall constitute a quorum.

SEC. 2. Any member of this association proposing to make any change in its rates, rules or regulations, will suggest the same to said

conference committee for consideration and interchange of views, before such change shall take effect; but it is distinctly understood that each member reserves to itself at all times the right to take separate and independent action on each and every subject, whether suggested to said conference committee or not.

ARTICLE III.

SECTION 1. Upon complaint to the chairman of the association that illegal devices have been resorted to, whether by secret rebates, or drawbacks, or payment of commissions, or underbilling of weights, or otherwise, he shall make an investigation thereof, and he or his representatives shall be given access to the records of all members of the association, so far as the same may pertain to the traffic with reference to which such complaint may have been made.

ARTICLE IV.

SECTION 1. The association expenses shall be apportioned fairly between the members by the executive board, and upon the basis so fixed by the board, the chairman of the association shall have authority to collect the same.

ARTICLE V.

SECTION 1. Any member retiring from this association before the expiration of the time herein fixed, except by unanimous consent, shall not be released from its obligations to contribute its share of the association expenses, as the same may be fixed by the executive board.

ARTICLE VI.

SECTION 1. It shall be the duty of the chairman to preside at all meetings of the conference committee; to keep the records of the association; to receive from each member of the association copies of tariffs or rates established by said member; to compile, print and distribute such tariffs or rates in conformity with the interstate commerce act and other laws; to formulate and distribute such statistical information as may be called for by the conference committee or by the executive board, any expense incurred in collecting such information to be apportioned among the interested members by the chairman of the association. Each member will furnish such reports of freight traffic, and other statistical data, as may be called for by the chairman of the association. The chairman shall also receive and list for discussion subjects coming before the conference committee, conduct all correspondence that may be necessary, and communicate such information as to the records of the association as may be requested by members and others interested.

512*g* SEC. 2. Each member shall, at the time of issue, file with the chairman of the association copies of all tariffs or rates that may be issued by such member and in which any other member may be interested.

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ARTICLE VII.

SECTION 1. Nothing herein contained shall be so construed as to confer upon a majority, or any number of members of this association, the power or authority to make rates or tariffs upon the line of any other member of this association, or to make joint rates or tariffs for any other member. Nothing herein contained shall be so construed as to confer upon the executive board, or the conference committee, or the chairman of the association, or the chairman of the executive board, or upon any other committee or officer of this association, the power or authority to make rates or tariffs upon the line of any member of this association, or to make joint rates or tariffs for any member of this association; it being distinctly understood that each member of this association expressly reserves to itself the exclusive power to make rates and tariffs on its own line, and to itself and its connections the exclusive power to make joint rates and tariffs, free from the dictation or control of any other member or members.

ARTICLE VIII.

SECTION 1. The articles of this association shall relate to the territory lying south of the Potomac river to the Virginia-West Virginia State line, then via said line to Bristol, Tenn., through and including Middlesboro, Ky., Jellico and Harriman Junction, Tenn., to and including Chattanooga, Tenn., and on and south and east of a line from Chattanooga, Tenn., via the Alabama Great Southern railroad to Birmingham, Ala., thence via Southern railway to and including Selma, Ala., thence via Western Railway of Alabama to and including Montgomery, Ala,, thence via the Atlantic Coast Line railroad through Valdosta, Ga., Jasper, Live Oak and Lake City, Fla., to Jacksonville, Fla., including points on the line from Montgomery to Jacksonville, thence via the South Atlantic seaboard to the Potomac river. Said articles shall relate to the rail lines and steamship lines which are now, or may hereafter become, members of this association.

SEC. 2. Said articles shall relate to traffic having origin or destination within the territory above defined, in which two or more members of this association may be interested, except that said articles shall not relate to traffic between any two points north of the Virginia-North Carolina State line; nor to traffic between points on the designated northern and western boundary lines and points outside of the territory as above defined; nor to traffic from or through North Atlantic ports to South Atlantic ports, proper, or from South Atlantic ports, proper, to or through North Atlantic ports; nor to coke and bituminous coal.

ARTICLE IX.

SECTION 1. No change shall be made in these articles of association, except by consent of each member of the association.

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ARTICLE X.

SECTION 1. These articles of association shall become effective the 13th day of August 1902, and continue in force until April 30th, 1903.

ATLANTA & WEST POINT R. R.
ATLANTA, KNOXVILLE & NORTHERN RAILWAY CO.
ATLANTIC COAST LINE RAILROAD CO.
ATLANTIC, VALDOSTA & WESTERN RY. CO.,
By GEORGIA, SOUTHERN & FLORIDA RY. CO., *Agent.*
BRUNSWICK & BIRMINGHAM RAILROAD CO.
CENTRAL OF GEORGIA RAILWAY CO.
CHARLESTON & WESTERN CAROLINA RAILWAY CO.
CHESAPEAKE STEAMSHIP CO.
CLYDE LINES.
COLUMBIA, NEWBERRY & LAURENS RAILROAD.
FLORIDA EAST COAST RY.
GEORGIA R. R.
GEORGIA, FLORIDA & ALABAMA RAILWAY CO.
GEORGIA, SOUTHERN AND FLORIDA RY. CO.
JACKSONVILLE & SOUTHWESTERN RAILROAD CO.
MACON & BIRMINGHAM RAILWAY CO.
MERCHANTS & MINERS TRANSPORTATION CO.
NEW YORK & TEXAS STEAMSHIP CO.
NORFOLK AND WESTERN RAILWAY CO.
OCEAN STEAMSHIP CO. OF SAVANNAH.
OLD DOMINION STEAMSHIP CO.
SEABOARD AIR LINE RAILWAY.
SOUTHERN RAILWAY CO.
VIRGINIA & SOUTHWESTERN RAILWAY CO.
WESTERN & ATLANTIC R. R.
WESTERN RAILWAY OF ALABAMA.
WRIGHTSVILLE & TENNILLE R. R. CO.

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[23] Southern Railway Company, Office of Fourth Vice-President, 1300 Pennsylvania Avenue.

J. M. Culp, Fourth Vice-President.

WASHINGTON, D. C., *December* 14, 1903.

Rmd. File 125.

Mr. Edw. A. Moseley, secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: On pages 421–2 of my testimony given at Atlanta in the case of H. H. Tift, *et al. versus* The Southern Railway, appears the following:

"Mr. Boatright: Are you in a position to say about what percentage of lumber moves from Group 1 stations as compared with Groups 2 and 3?

Mr. Culp: No, I am not.

Mr. Boatright: Could you have a statement prepared showing that movement for the period in controversy here?

Mr. Culp: How long is that?

Mr. Boatright: I believe from 1891. Still, I do not think it would be necessary to go back that far; say from 1894 to the present time.

Mr. Culp: I cannot promise that, because I do not know whether our waybills are kept that far back. It will be the work of the auditor and I do not know how far back he has his waybills preserved. It would be necessary for him to examine each waybill.

Mr. Boatright: I should say perhaps a statement covering a period of two years would be sufficient.

Mr. Culp: Would not a much less time be sufficient to cover the information desired? To handle all the waybills for a period of two years would require a great deal of work and time, which you, as a railroad man, can easily understand.

Mr. Boatright: I appreciate the difficulty of it, and do not wish to ask anything unreasonable.

Mr. Culp: Take a shorter time. I should think a month in a year ought to give you an answer to your question.

Mr. Boatright: Then take a period of any thirty days in each of the past three years that would be fairly illustrative.

Mr. Culp: I will endeavor to do that. Bear in mind, however, that if the auditor has not preserved all of his waybills as far back as that I cannot do it."

[24] In line with the above, therefore, I hand you herewith statement showing the total movement of lumber from points in Georgia to the West, during the month of May, 1901, 1902 and 1903,

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Owing to the manner in which our records are kept, it has not been found possible to show exactly which lumber originated in Groups 1, 2 or 3, inasmuch as part of the lumber came to us from connections, as shown, and the original point of shipment was not designated.

I trust this information will be satisfactory.

Yours truly,

J. M. CULP,
Fourth Vice-President.

512*k* *Statement of Lumber from Georgia Points to the West for Month of May, 1901, 1902, and 1903.*

512*l* Summary.

Statement Showing Number of Car-loads of Lumber from Georgia Points to the West, Including Nashville and Points on, North, and West of Ohio River, for Month of May, 1901, 1902, and 1903.

	Originating on Sou. Ry.	Originating on connecting lines.	Total.
	No. of car-loads.	No. of car-loads.	No. of car-loads.
May, 1901	16	724	740
May, 1902	38	460	498
May, 1903	13	416	429
Total	67	1600	1667
Percentage	4.02	95.98	100.00

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312m *Statement Showing Number of Car-loads of Lumber from Georgia Points to the West, Including Nashville and Points on, North, and West of Ohio River, for Month of May, 1901.*

Forwarding station.	Originating on Southern Ry.	Originating on connecting lines.	Total.
	No. of car-loads.	No. of car-loads.	No. of car-loads.
Rockmart local	2		2
Varnell "	1		1
Atlanta, Ga. R. R.		2	2
Atlanta C. of G. R. R.		16	16
Macon G. S. & F. R. R.		476	476
Macon C. of G. R. R.		1	1
Eastman local	3		3
Helena local	6		6
Helena S. A. L.		17	17
Hazlehurst local	3		3
Jesup A. C. L.		212	212
Tallapoosa local	1		1
Total	16	724	740

512*n* *Statement Showing Number of Car-loads of Lumber from Georgia Points to the West, Including Nashville and Points on, North, and West of Ohio River, for Month of May, 1902.*

Forwarding station.	Originating on Southern Ry.	Originating on connecting lines.	Total.
	No. of car-loads.	No. of car-loads.	No. of car-loads.
Augusta through		4	4
Dalton local	1		1
Rome local	1		1
Rockmart E. & W.		2	2
Brasswell local	2		2
Atlanta through		23	23
Macon G. S. & F.		295	295
Adams Park local	6		6
Coley local	5		5
Hawkinsville H. F. S.		33	33
Empire W. & T.		5	5
Helena S. A. L.		10	10
Lumber City local	12		12
Jesup P. S.		88	88
Waco local	1		1
Tallapoosa local	5		5
Lincoln local	1		1
Riderville local	3		3
Demopolis local	1		1
Total	38	460	498

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512o *Statement Showing Number of Car-loads of Lumber from Georgia Points to the West, Including Nashville and Points on, North, and West of Ohio River, for Month of May,* 1903.

Forwarding station.	Originating on Southern Ry.	Originating on connecting lines.	Total.
	No. of car-loads.	No. of car-loads.	No. of car-loads.
Flowery Br. loc	1		1
Dalton local	2		2
Atlanta local	1		1
Atlanta C. of G		25	25
Macon G. S. & F		164	164
Macon M. D. & S		3	3
Hawkinsville H. S. & F		23	23
Empire W. & T		1	1
Helena S. A. L		3	3
Lumber City loc	3		3
Jesup local	2		2
Jesup A. C. L		193	193
Brunswick B. & B		3	3
Ft. Valley loc	1		1
Waco local	1		1
Edwardsville loc	1		1
Tallapoosa loc	1		1
Meridian N. E		1	1
	13	416	429

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513*p* Southern Railway Company, Office of Fourth Vice-President,
1300 Pennsylvania Avenue.

J. M. Culp, Fourth Vice-President.

WASHINGTON, D. C., *December* 14, 1903.

Rmd. File 125.

Mr. Edw. A. Moseley, sec't'y Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: I quote the following from pages 484–5 of the Record in the case of H. H. Tift *et al. versus* The Southern Railway Company *et al.;* being an extract from my testimony:

"Commissioner Prouty: Have you any statistics which would tend to show the quantity of this Georgia lumber or any lumber that moves over your line to Cincinnati or Louisville in such a way that it takes the full Cincinnati or the full Louisville rate—so that you would get the full rate out of it up to those points?

Mr. Culp: I doubt if we have that tabulated. Whatever it is, it is covered by the waybills. There may be a statement here and there that was made up for the traffic-department people, to serve their purpose, but we have no regular statement of that kind.

Commissioner Prouty: If you could find any statement of that, or if you have in mind who has approximate knowledge of that, I would be glad if you could produce that testimony.

Mr. Culp: I will see what can be done."

In line with the above, I hand you herewith statement showing lumber billed to Louisville, Ky. during the months of April 1903 and July 1903, showing the amount of lumber paying full rates to Louisville also the amount paying other than the full Louisville rate.

I also hand you statement showing the same information with regard to lumber handled to and via Cincinnati.

Yours truly,

J. M. CULP,
Fourth Vice-President.

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512q *Statement Showing Weight in Pounds on Lumber from Ga., Ala., & Miss. Billed to Louisville, Ky., for April and July, 1903.*

To—	State billed from.			Total weight.
	Ga.	Ala.	Miss.	
April, 1903.				
Originating on Southern Ry.				
	Weight.	*Weight.*	*Weight.*	
Louisville proper taking Lou. rate	56,700	506,100		562,800
Lou. for beyond taking Lou. rate		56,400		56,400
Lou. for beyond taking other rates		138,400		138,400
Totals	56,700	700,900		757,600
April, 1903.				
Originating on Connections.				
Louisville proper taking Lou. rate			316,100	316,100
Lou. for beyond taking Lou. rate	782,130		295,900	1,078,030
Lou. for beyond taking other rates	4,263,410		353,200	4,616,610
Totals	5,045,540		965,200	6,010,740
July, 1903.				
Originating on Southern Ry.				
Louisville proper taking Lou. rate	34,100	562,600	49,800	646,500
Lou. for beyond taking Lou. rate				
Lou. for beyond taking other rates		579,400		579,400
Totals	34,100	1,142,000	49,800	1,225,900
July, 1903.				
Originating on Connections.				
Louisville proper taking Lou. rate	121,400	135,200	391,900	648,500
Lou. for beyond taking Lou. rate	1,773,035	42,000	660,890	2,475,925
Lou. for beyond taking other rates	5,800,590	612,260	97,100	6,509,950
Totals	7,695,025	789,460	1,149,890	9,634,375

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512r *Statement Showing Weight in Pounds on Lumber from Ga., Ala., & Miss. B[illed] to Cincinnati, Ohio, for April and July, 1903.*

To—	State billed from.			Total weight.
	Ga.	Ala.	Miss.	
April, 1903.				
Originating on Southern Ry.				
	Weight.	*Weight.*	*Weight.*	
Cin. proper taking Cin. rates	181,750	450,600	145,800	778,150
Cin. for beyond taking Cin. rates	.....	284,200	.....	284,200
Cin. for beyond taking other rates	65,000	1,590,350	72,700	1,728,050
Totals	246,750	2,325,150	218,500	2,790,400
April, 1903.				
Originating on Connections.				
Cin. proper taking Cin. rates	677,450	92,700	358,100	1,128,250
Cin. for beyond taking Cin. rates	.....	.....	244,700	244,700
Cin. for beyond taking other rates	20,854,146	1,022,010	647,350	22,503,506
Totals	21,511,596	1,114,710	1,250,150	23,876,456
July, 1903.				
Originating on Southern Ry.				
Cin. proper taking Cin. rates	296,900	1,066,200	.....	1,363,100
Cin. for beyond taking Cin. rates	48,400	445,300	.....	493,700
Cin. for beyond taking other rates	636,500	2,326,500	.....	2,963,000
Totals	981,800	3,838,000	.....	4,819,800
July, 1903.				
Originating on Connections.				
Cin. proper taking Cin. rates	603,900	.....	154,100	758,000
Cin. for beyond taking Cin. rates	955,750	.....	101,300	1,057,050
Cin. for beyond taking other rates	13,321,616	.....	2,357,200	15,678,816
Totals	14,781,266	.....	2,612,600	17,393,866

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513 The Chairman: We renew the inquiry we made yesterday afternoon, whether it is practicable for the complainants in the other case to interrogate Mr. Culp, whether that would be satisfactory to Mr. Baxter, with a view to stipulating his testimony in this case into the other case and save the time of taking it again.

Mr. Baxter: It will be satisfactory to me, although it will disarrange the order of my defense. I am willing to submit to it rather than to prolong the inquiry.

Mr. Andrews (counsel Illinois Central): If your honors please, I am not quite ready to agree to that proposition on behalf of the Illinois Central road. I have also been asked to make the objection on the part of others.

The Chairman: Well, if it is objected to seriously by parties to either proceeding, we shall not insist upon it. Judge Baxter, you may call your next witness in this case.

Mr. Baxter: I will ask Mr. Green to take the stand.

514 L. GREEN,

a witness called on behalf of defendants, having been duly sworn, testified as follows:

Mr. Baxter: Mr. Green, I believe you are also connected with the Southern railway, are you not?

Mr. Green: Yes, sir.

Mr. Baxter: In what capacity?

Mr. Green: As assistant general freight agent.

Mr. Baxter: What is the nature of your duties?

Mr. Green: I have supervision of freight-traffic matters relating to details of publication and distribution of tariffs, and matters of that character.

Mr. Baxter: How long have you been connected with the railroad freight service in the United States?

Mr. Green: For more than twenty years.

Mr. Baxter: Have you had any experience in the conduct of the freight traffic by railroad companies?

Mr. Green: Yes, sir; considerable.

Mr. Baxter: How long have you been connected with the Southern railway?

515 Mr. Green: Since its organization, July 1st, 1894.

Mr. Baxter: When was it that the Southern railway announced its purpose to increase its rates on lumber from points in Florida, Georgia, Alabama, and Mississippi to Ohio River points and beyond?

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Mr. Green: The first announcement?

Mr. Baxter: Yes, sir.

Mr. Green: February 4, 1903.

Mr. Baxter: When did it propose to make that advance effective?

Mr. Green: March 1st, 1903.

Mr. Baxter: Was that announcement carried out?

Mr. Green: Yes, sir; by the publication of our tariff, which was filed with the Interstate Commerce Commission—our tariff No. 6.

Mr. Baxter: After that tariff had been filed to become effective March 1st, 1903, did you receive any request from any of the complainants in this case to suspend the operation of it? If so, what occurred?

Mr. Green: We received a request from a number of shippers for a conference, which was held at the Piedmont hotel, Atlanta, February 24, 1903.

516 Mr. Baxter: Well, what occurred at that conference?

Mr. Green: At this conference I represented the Southern railway. The lumber shippers at that time represented that they had a great many accumulated orders, the shipment of which could not be completed before March 1st, and they urged that on that account the effective date of the tariff be postponed. Some of them urged that the advance be not made at all.

Mr. Baxter: Well, what did you do in response to the request?

Mr. Green: Well, immediately following the conference with the lumber people, the representatives of the railroads on the same day, on the afternoon of the same day, had a conference among themselves, which was extended over into the following forenoon, the 25th of February. There was an inclination on the part of some of them at least, to recognize the fact that there had been an accumulation of lumber orders and for that reason we should carefully consider the petition of the lumber people for a postponement of the date of the advance. However, no definite conclusion could be reached because some of the lines at least could not form any idea of how long it would take for the shippers on their line to dispose of this accumulation.

517 Mr. Baxter: What action did you take as the representative of the Southern railway?

Mr. Green: The conference on the morning of the 25th adjourned for lunch. I returned to my office and called up Mr. Powell on the long-distance 'phone at Greenville, S. C., and stated the situation to him, recommending that in view of the uncertainty we should settle the matter by simply advising that we would not make our rates effective before April 15th. Mr. Powell approved that, and before returning to the meeting I sent a telegram to the Interstate Commerce Commission suspending our tariff of March 1st and restoring the rates in effect prior thereto, and then addressed a communication

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to Mr. Parrott announcing that we had given that notice to the Interstate Commerce Commission.

Mr. Baxter: Look at the paper here handed you and state whether that is the letter you wrote to Mr. Parrott on the subject. If so, read it.

Mr. Green: This is a copy of that letter (reading):

"ATLANTA, GA., *February* 25, 1903.

"Mr. S. F. Parrott, chairman, Atlanta, Ga.:

518 Please be advised that the Southern railway has telegraphed the Interstate Commerce Commission today withdrawing advanced rates on yellow-pine lumber to Ohio and Mississippi River crossings and beyond, effective March 1st, and that it will not be our purpose to make these advanced rates effective before April 15th.

"Yours truly, E. A. NIEL."

Copies of this letter were furnished in the afternoon to the representatives of the transportation lines in attendance at the meeting. I will file this as Exhibit 1 to my testimony.

(The same is hereto attached and marked Exhibit "C" 1.)

Mr. Baxter: I will ask you whether that letter was the result of any agreement or combination.

Mr. Green: Absolutely none.

Mr. Baxter: When did you conclude afterwards that these rates should be put in force on the 15th of April?

Mr. Green: On March 21st.

Mr. Baxter: Did you acquaint Mr. Parrott with that fact?

Mr. Green: I did, sir.

Mr. Baxter: Look at this letter and see if it is the letter by

519 which you acquainted him with that fact. If it is, read it into the record.

Mr. Green: This is a copy of that letter, omitting the heading, addressed to Mr. Parrott, March 21, 1903:

"It will be the intention of the Southern railway, effective April 15th, 1903, to make the following changes in the rates on lumber from points on its line, and to participate with its connections in making similar changes from points on their lines, namely:

"We will advance two cents per hundred pounds in the rates on yellow-pine lumber, car-loads, from producing points in Mississippi, Louisiana, and the Southeast to St. Louis, East St. Louis and all Mississippi River crossings between Memphis and St. Louis, and all Ohio River crossings Cairo to Cincinnati, both inclusive.

"We will make the rates to all points north of the Ohio river and east of the Mississippi river and west of the western termini of the trunk lines on the lowest combination

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"We will also make an advance of two cents per hundred pounds in the rates to Nashville, Tenn., Memphis, Tenn., to West Tennessee and Kentucky Junction points, provided this does not make rates in excess of the continuous local scale of any line.

520 "We will also make an advance of two cents per hundred pounds in the rates to Chattanooga, Tenn., provided that it does not exceed the continuous local scale of any line.

"It will also be our purpose to make an advance of two cents per hundred pounds from points in Mississippi, Alabama and the Southeast to the Buffalo-Pittsburg zone."

Signed E. A. Niel, G. F. A.

Mr. Baxter: You may file that.

(Letter hereto attached and marked Exhibit "D"—L. Green.)

Mr. Baxter: I will ask you whether that letter was written as the result of any agreement or combination or understanding with any competing line?

Mr. Green: It was not.

Mr. Baxter: Why did you select April 15th, 1903, as the date for making that advance effective?

Mr. Green: Because we were convinced that would give the shippers sufficient time in which to complete their contracts, and because we were advised by the other lines who were no doubt at the meeting on February 24th and 25th, as to how long it would take shippers on their lines to complete contracts; that after investigation of the matter they also believed that the shipments could be completed by April 15th.

521 Mr. Baxter: So there had been instituted an investigation to see how much lumber was under contract on your line and how long it would take the lumber shippers to get it out?

Mr. Green: Yes, sir. As to our particular line we had very few shippers who were suffering at all. It was largely a question as to conditions on other roads that had a larger lumber traffic than ourselves. I have seen a letter from Mr. M. W. McLeod, president of the Southern Lumber Manufacturer's Association, which association I believe is composed of yellow-pine lumber enterprises in Arkansas, Texas, Louisiana, Mississippi, Alabama, and some in Georgia, dated February 9th, 1903, stating that as a result of an inquiry among the mills members of that association it would take about 56 days from February 9th to complete the orders then on their books. So that in extending the date to April 15th we were exceeding the limit of time named by Mr. McLeod, and we thought that would give the shippers ample time to complete their unfilled orders.

Mr. Baxter: With reference to the letter which you have just read from you to Mr. Parrott, was it followed up by the filing of any tariff with the Commission?

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Mr. Green: Yes, sir.

522 Mr. Baxter: Or supplement to any tariff?

Mr. Green: We issued a supplement to our pine lumber tariff No. 5,—which was already on file with the Commission,—restoring it, effective April 15th.

Mr. Baxter: That is the tariff Mr. Culp put in evidence this morning?

Mr. Green: Yes, sir.

Mr. Baxter: That tariff, I believe, Mr. Green, refers to pine lumber. Did it have application to any other lumber? Did the advance cover any other lumber than yellow-pine lumber?

Mr. Green: It would apply on any lumber originating in the territory covered by the tariff. We have a number of lumber tariffs, and at some time in the past, before my connection with the office, this title was adopted, probably with an idea of giving it a designation differing from other tariffs. The title does not correctly represent what the tariff covers, and we have since this matter has arisen indicated by a supplement just what it does cover.

Mr. Baxter: Have you by that supplement indicated that it covers all kinds of lumber?

523 Mr. Green: Yes, sir. Here is the supplement (reading): "Rates published in pine lumber tariff No. 5, and amendments thereto" (that is the tariff in effect prior to this and which was restored—this supplement was issued really before these advanced rates were restored—" and amendments thereto applying from all stations in Georgia, and rates named in pine lumber tariff No. 6 applying from all stations except stations in Georgia, will apply on the following articles: Cooperage stock N. O. S., heading and head bolts, hoops, wood, N. O. S.; hoop poles, lath, logs (except woods of value); lumber, paving blocks, wooden, street; pickets, wooden; piles; shingle bolts, wooden; shingles; shooks, barrel, casks or hogsheads; shooks, box, wooden; staves, barrel; shooks, heading, hoop and stave bolts; telegraph cross-arms, wooden; telegraph poles, wooden; ties, railroad, wooden; timber, N. O. S.

Mr. Baxter: Mr. Green, from other sections or portions of the Southern railway, say, for instance, in Alabama and Mississippi, were corresponding advances made on lumber at the same time that these advances were made under the tariff you just had in your hand?

Mr. Green: Yes, sir.

524 Mr. Baxter: Have you copies of those tariffs advancing the rate in Alabama and Mississippi?

Mr. Green: Yes, sir.

Mr. Baxter: Will you give me the I. C. C. numbers from those tariffs?

Mr. Green: The first issue was I. C. C. 7253, to which we filed two amendments. The current issue is I. C. C. No. 7513.

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Mr. Baxter: Were those tariffs Southern Railway tariffs Nos. 3550 and 3384?

Mr. Green: Yes, sir.

Mr. Baxter: Copies of those tariffs are on file with the Commission, are they not?

Mr. Green: Yes, sir.

Mr. Baxter: I will not encumber the record by making them a part of it, but put them in evidence as being on file with the Commission, to which either party can refer.

Commissioner Clements: Who issued those tariffs—the railroad directly, or were they issued by the association?

Mr. Green: Issued by the Southern railway.

Mr. Baxter: Mr. Green, what effect will such advance of
525 2 cents per hundred pounds in the rates on lumber have upon the business interests of the complainants in this case?

Mr. Green: I do not think it will have any injurious effect.

Mr. Baxter: Will it or not prevent the complainant from competing successfully against other lumber in the territory on and north of the Ohio river?

Mr. Green: It is my opinion that it will not.

Mr. Baxter: With what woods north of the Ohio river does the yellow pine from Georgia compete?

Mr. Green: Principally with yellow pine from Mississippi, Alabama, and from the yellow-pine district west of the Mississippi river.

Mr. Baxter: The rates on all those yellow pines were correspondingly and simultaneously increased with the rates from Georgia?

Mr. Green: They were correspondingly increased, but I can hardly say they were simultaneously increased, because there was some interruption to the tariff in Georgia on account of Judge Speer's decision, which postponed the date of increase of rates fixed by
526 the tariff for some time after they went into effect in other territories.

Mr. Baxter: Do you remember when the advance went into effect in Arkansas territory?

Mr. Green: The tariffs were first issued effective April 15th from all the territory. The tariff as to Georgia was suspended by order of Judge Speer, and in fact that suspension was carried into Florida and Alabama. The advanced rates from Mississippi were continued and not at any time disturbed. The advance from Arkansas and the territory west of the Mississippi river was, as I recall, withdrawn effective May 11. It was partially restored, I believe, on June 3d.

Mr. Baxter: 1903?

Mr. Green: Yes, sir: and wholly restored, I think, effective June 22d, although I have not seen any tariffs showing that that is true.

Mr. Baxter: Since June 22, 1903, said advance has been effective

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from all three of those territories, Arkansas, Mississippi and Georgia.

Mr. Green: Yes, sir.

Mr. Baxter: The yellow pine from——

Commissioner Clements: Was notice first given of the advance from points on this side of the river and then postponed?

527 Mr. Green: Yes sir; postponed to the 15th of April.

Mr. Baxter: Does the yellow pine from all three of these States, Georgia, Mississippi and Arkansas also compete with white-pine lumber from the Northern States and Canada at points north of the river?

Mr. Green: My information is that the competition is very limited. There are many uses for yellow pine where white pine cannot be used. My information is that you cannot use white pine for car sills. The supply of northern white pine has been largely depleted, and while it may, in years past, have been a strong factor in competition with yellow pine for many purposes, that is not the case today.

Mr. Baxter: Has it been the case since 1897?

Mr. Green: Let me refer to memoranda here a moment. I will refresh my memory on that. I am reading now a quotation from a paper read by Mr. J. B. White of the Missouri Lumber & Land Exchange Co., Kansas City, Mo., at the thirteenth annual meeting of the Southern Lumber Manufacturer's Association, held at New Orleans January 20 and 21, 1903, which quotation is taken from a printed pamphlet——

Mr. Ellis: We have not been technical, but this thing has assumed a wide scope. We cannot see what possible relevancy this
528 would have to the case—a public speech delivered by a man not connected with the railroad service or with the complainants in this case, and matter of mere speculation and opinion. Then, besides, we do not know at what stage of the feast it was delivered, whether at the beginning or at the conclusion. It is clearly irrelevant matter.

Mr. Baxter: Just state what the fact is, whether the supply of white pine that used to come from Michigan, Minnesota, Wisconsin, has been practically exhausted?

Mr. Green: That is a fact.

Mr. Baxter: Something has been said about hemlock and spruce and white pine coming into the Northern States from Canada. Is that lumber subject to any duties of any kind by the United States Government?

Mr. Green: Yes, sir.

Mr. Baxter: What do those duties amount to?

Mr. Green: This information was obtained from the Treasury Department at Washington. The duty on sawed lumber——

Mr. Ellis: The question applies to the knowledge of the witness.

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Commissioner Prouty: This question is simply as to what
529 customs duties are imposed. If not correctly given, you can very readily show the fact.

The Chairman: Why is it objectionable for this witness to state what the duty is on lumber?

Mr. Ellis: Not at all. The question I objected to was that which called for the reading of the paper referred to, and then I saw the gentleman proceed to answer the question with his eyes on the paper. I have no objection if he has any information of his own or gets it from any statistical matter.

The Chairman: When your objection was made the matter was not pressed and the paper was not received. It was a paper delivered at some meeting of business men and hardly competent, but the witness stated that from his own knowledge the supply of white pine from that section of country had been practically exhausted.

Mr. Ellis: I did not intend to object to that.

The Chairman: Now the witness is asked what the duties are on lumber. If there is any question as to the accuracy of the witness' answer, upon objection from your side, we will ascertain exactly what the amount of the duties are.

530 Mr. Baxter: Are you able to state what these duties are, Mr. Green?

Mr. Green: I have no personal knowledge of what the duties are. My only source of information, and the reliable source of information of that kind is the United States Government records.

Mr. Baxter: What do these Government records show, Mr. Green?

Mr. Green: They show that the duties range from $2.00 to $4.00 per thousand feet.

Commissioner Prouty: Depending upon whether it is dressed or not?

Mr. Green: Yes, sir.

Commissioner Prouty: It is $2.00 on sawed lumber?

Mr. Green: Yes, sir; and it runs as high as $4.00 per thousand feet.

Mr. Baxter: From $2.00 to $4.00 per thousand feet?

Mr. Green: Yes, sir.

531 Mr. Baxter: Take the average weight of that Canadian lumber and your duties, what would those duties amount to in cents per 100 pounds?

Mr. Greeen: My information is that the average weight is about 3,000 pounds per thousand feet, and the minimum charge of duty $2.00 per thousand feet, it would be $6\frac{2}{3}$ cents per hundred pounds.

Mr. Baxter: To that duty must be added the charge of transportation from the point of origin to the point of destination in the United States?

Mr. Green: Yes, sir; and when it is to be delivered beyond ports of entry, the charge from the ports of entry to points of final destination.

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Mr. Baxter: Out of 674 cars of yellow-pine lumber shipped during March, 1903, from points in Georgia to points on and north of the Ohio river over the Southern railway, how many of those cars were consigned to the lake ports or points adjacent to the lake ports?

Mr. Green: I will have to refer to my memorandum for that.

532 Com'r Prouty: What do you mean by "the lake ports?"

Mr. Baxter: The United States lake ports.

Com'r Prouty: Lake ports like Cleveland and Detroit?

Mr. Baxter: Yes, sir.

Mr. Green (referring to memorandum): 276.

Com'r Prouty: Can you tell what part of those were consigned to lake ports east of Chicago?

Mr. Green: Well, the principal movement was to such points as Chicago, Pullman, Michigan City, Detroit, and, I think, Cleveland.

Mr. Baxter: Now, the lumber that was shipped to those lake ports came into competition with what other kind of lumber—lumber from what other places?

Mr. Green: Well, it came into competition with yellow pine from other sections and into competition with Canadian pine, northern white pine, spruce and hemlock. They were probably the strongest at those lake ports.

Mr. Baxter: Are they brought to those lake ports by rail or water, those lumbers with which the Georgia lumber competes?

Mr. Green: Much of it by water.

533 Mr. Baxter: Is there any movement of yellow-pine lumber from points in Gorgia to north, central and western points?

Mr. Green: Yes, sir; there is a large movement.

Mr. Baxter: Well, will the movement of that lumber be affected by the recent increase?

Mr. Green: It is my firm conviction that it will not be affected by the increase of rates.

Mr. Baxter: Why not?

Mr. Green: Because corresponding increase has been made in the rates from other yellow-pine-producing territories.

Mr. Baxter: Much has been said here about the present lumber market conditions. What is your information in regard to that?

Mr. Green: My information is that as to the territory involved there has probably been some decrease in the demand. I believe there has been a decrease in demand for certain kinds of lumber, that kind used in the manufacture of cars, but on the whole the demand has not decreased nor the prices been reduced.

534 Mr. Baxter: Under the existing rates, which include the recent advance of 2 cents per 100 pounds, how does the revenue from lumber received by the Southern railway compare with the revenue received by it from other commodities? Is lumber more or less profitable as an article of freight than other commodities; I mean, other commodities originating in southern territory?

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Mr. Green: I believe it is less profitable.

Com'r Prouty: What do you mean by "less profitable"?

Mr. Green: The rates are not so high as on other southern products.

Com'r Prouty: Do you mean it does not make as much money?

Mr. Green: It does not make as much money. Mr. Baxter's question, as I understood it, was whether it was more or less profitable than other southern conditions.

Mr. Baxter: On a certain movement of 286 cars of lumber moving via the Southern railway, during March, 1903, from 106 shipping points in South Georgia to 59 destination points on and beyond the Ohio river, what were the actual earnings of said railway per ton per mile?

Mr. Green: The average was 4 mills.

535 Mr. Baxter: What is the proportion of flat cars required on the Southern railway to move lumber as compared with the whole number of cars used by that company in the movement of lumber?

Mr. Green: The percentage of the total flat-car movement from Ohio River points to the lumber district which moved empty was 85.3 per cent. during the first quarter of this year when the last information I had compiled on that feature was obtained.

Mr. Baxter: That means that 85 per cent. of the flat cars used in hauling lumber came South empty. My question was what percentage of the whole movement of cars used by the Southern railway in the transportation of lumber are flat cars.

Mr. Green: I could not state exacly; nearly ½ I should say, if not quite one-half.

Mr. Baxter: At whose instigation or request or preference are flat cars used?

Mr. Green: They are required by the shipper, and necessarily, because of the character of the lumber shipped, much of which cannot go into box cars.

Mr. Baxter: Because of its length?

536 Mr. Green: Because of its length.

Mr. Baxter: Which is the most economical to the shipper in loading and unloading the lumber, the flat car or the box car?

Mr. Green: My information is that the flat car is.

Mr. Baxter: Which is the most expensive to the railroad company to furnish, the flat car or the box car?

Mr. Green: The flat car.

Mr. Baxter: Why is that so?

Mr. Green: Because of the large empty movement required. Box cars are more available for loading in both directions and therefore more economical to handle.

Mr. Baxter: Can you not use the flat cars also in loading other commodities than lumber?

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Mr. Green: Only to a much smaller extent. We do use them for steel rails, machinery, and vehicles—engines and boilers and machinery that can be loaded on flat cars.

Mr. Baxter: The flat cars which are used by the Southern railway for the transportation of lumber, are they all the property of the Southern railway, or do they belong to other lines?

537 Mr. Green: Many of them are the property of other lines.

Mr. Baxter: Upon what terms does the Southern railway obtain and use those cars?

Mr. Green: By the payment of the usual *per diem* charges.

Mr. Baxter: How much are those charges?

Mr. Green: 20 cents per day.

Mr. Baxter: Has there been any recent movement of flat cars over the Southern railway for the purpose of hauling lumber, and if so, in what quantities?

Mr. Green: Yes, sir; during the past 5 or 6 months I have known of several movements from Louisville to the lumber section via our line and its connections in lots as many as 50 cars.

Com'r Prouty: Let me ask you a question right there. Suppose this lumber was all shipped in box cars, would you send more of your cars south empty than you do now? In other words, don't you have sufficient box cars as it is to contain all your loads?

Mr. Green: All our south-bound loads?

538 Com'r Prouty: Yes, sir.

Mr. Green: The preponderance of the loaded movement of box cars is south bound.

Com'r Prouty: Do you send box cars back north empty?

Mr. Green: Yes, sir.

Com'r Prouty: To what extent?

Mr. Green: Well, sir, I can hardly state now. I can furnish you the exact information.

Com'r Prouty: Shippers require flat cars for lumber on account of the length?

Mr. Green: Yes, sir.

Com'r Prouty: What proportion of lumber is sent by them in flat cars?

Mr. Green: I should say at least half of it; possibly more.

Mr. Baxter: Have you caused to be compiled a statement showing rates on coal, car-loads, per ton of 2,000 pounds from Birmingham, Alabama?

Mr. Green: Yes, sir,

Mr. Baxter (handing paper to witness): Is that the statement?

539 Mr. Green: Yes, sir; this is a copy of it.

Mr. Baxter: Will you file it as an exhibit to your testimony and state to the Commission what it contains?

Mr. Green: It shows the rates upon coal, car-loads, per ton of 2,000

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pounds from Birmingham, Alabama, to Anniston, Alabama; Rome, Georgia; Chattanooga, Tenn., and other southern points with the distances from Birmingham—the rates per ton and the rates per ton per mile.

Mr. Baxter: Does that show the rates on the coal actually transported over the lines of the Southern railway?

Mr. Green: It does.

Mr. Baxter: What is the average rate per ton per mile shown in that case?

Mr. Green: It varies as to the different points, but the average for all of them is 6 and a fraction mills.

Com'r Prouty: About what is the average distance?

Mr. Green: 227 miles.

The Chairman: That compilation is based on actual transactions?

Mr. Green: Yes, sir.

The Chairman: And the volume of coal shipped to each destination is taken into account as well as the rate and distance?

540 Mr. Green: No, sir; this is not based upon any actual movement. It is based upon the rates themselves from Birmingham to points to which there is an actual movement.

The Chairman: It practically, therefore, assumes a single movement or the same volume from Birmingham to each of the destinations?

Mr. Green: Yes, sir.

(The paper is hereto annexed and marked "Exhibit 'H' to Mr. Green's testimony.")

Mr. Baxter: You say the average of those rates per ton per mile was 6 and a fraction mills?

Mr. Green: Yes, sir.

Mr. Baxter: And on a shipment of 286 cars of lumber moving over the Southern railway in March, 1903, to which you just referred, I think you stated that the average rate per ton per mile there was 4 mills?

Mr. Green: That is correct.

Com'r Clements: Would that be considered the amount if you took into account the rate charged by the road bringing it to the Southern?

Mr. Green: No, sir; that included only what the Southern railway earned on lumber which it originated and which it re-

541 ceived from connections in Georgia.

Com'r Clements: Most of it is received from connections, is it not?

Mr. Green: Yes, sir.

Com'r Clements: And what they get is not counted in that?

Mr. Green: No, sir.

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Com'r Clements: That would make the rate per ton per mile on the whole movement considerably more, would it not?

Mr. Green: Yes, sir.

Com'r Prouty: What would be the average haul on that lumber from the point of origin to final destination?

Mr. Green: I could only approximate that. I should say 700 miles or more—probably 800 miles.

Com'r Clements: What is the longest distance the Southern railway hauls coal between any two points on its system?

Mr. Green: Coal cannot move, and does not move such long distances as lumber.

Com'r Prouty: Not on your system? It does in some other places.

342 Mr. Green: The actual distance here (referring to exhibit) of which I know of the movement, is 435 miles.

Com'r Prouty: What is your rate per ton per mile there?

Mr. Green: 5.4 mills.

Com'r Clements: That is between what points?

Mr. Green: Birmingham and Charlotte.

Mr. Baxter: Something has been said here about the freight paid on yellow pine from the mills in Georgia and Florida to points of destination north of the Ohio river amounting to more than the value of the lumber at the mills. Have you prepared a statement for March, 1903, of the movement of 44 cars of lumber shipped over the Southern railway?

Mr. Green: Yes, sir.

Mr. Baxter: Has that statement been correctly compiled?

Mr. Green: Yes, sir; from the actual billing. That is, the record of the movement was taken from the actual billing. The information as to the quality, kind and value of lumber was obtained from the consignee.

Mr. Baxter (handing exhibit to witness): What does that show now as a comparison between the freight actually paid on

343 those cars and the value of the product contained in them?

Mr. Green: It shows that the total freight charges were $5,823.83 and that the invoice value was $7,432.98, or $1,609.15 or 27.6 per cent. value in excess of freight charges.

Com'r Prouty: What was the average invoice price per thousand?

Mr. Green: I did not work that out. I have the actual prices per thousand here. The lumber varied in kind and also in price. The first car moved from Valdosta, Georgia, to Kensington, Ill. The invoice value at the mill was $176.16; the price per thousand feet at destination, which included the freight was on part of it $27 and on part of it $26.

Com'r Prouty: Now, look along down the invoice prices per thousand feet. Is that a high or low price? Give the lowest you find there.

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Mr. Green: The lowest price I find is $10.50.

Com'r Prouty: At the mill?

Mr. Green: $10.50 at the mill, yes, sir. That is a ship-
544 ment from Fairfax, Georgia, to Cincinnati, Ohio, in which there were 13,400 feet at $13.50 per thousand and 12,032 feet at $10.50 per thousand of yellow pine for partitions.

Com'r Prouty: What is the freight on that?

Mr. Green: The freight on that was $114.07; the value at the mill $307.23.

(The paper referred to is hereto annexed and marked "Exhibit 'G' to Mr. Green's testimony.")

Mr. Baxter: Mr. Green, are there any commodities that are transported over railroads upon which the freight at the point of destination is greater than the value of the commodity at the point of shipment?

Mr. Green: Yes, sir.

Mr. Baxter: Can you mention some of them?

Mr. Green: Well, I should say that it is often true as to shipments of coal. The freight there frequently exceeds the value of the coal at the mines. It is true about brick and lime and cement and some kinds of clay and other articles.

Mr. Baxter: How is it with reference to building stone, or crushed stone?

545 Mr. Green: It is frequently in excess of the value of that at the point of origin.

Mr. Baxter: How is it as to certain kinds of ores?

Mr. Green: It is also true as to that. In fact, there are many articles, including some kinds of ores and articles such as sand and sawdust which have no value at all at destination except as created by transportation facilities.

Mr. Baxter: That is true as to cinders and slag and gravel, is it not?

Mr. Green: Yes, sir.

Mr. Baxter: Is any portion of the Georgia lumber shipped to the Atlantic coast and thence to points in the North?

Mr. Green: Yes, sir; there is quite an important movement.

Mr. Baxter: How do the rates per ton per mile received for the transportation of that lumber to the coast compare with the rates per ton per mile from Georgia to points on and north of the Ohio river?

Mr. Green: They are much greater.

Mr. Baxter: Have you convenient any memorandum from
546 which you can tell us what the average rate per ton per mile is on lumber from the Georgia district to the coast?

Mr. Green: I have not, but I can prepare it.

Mr. Baxter: Will you compile one and furnish it to the Commission?

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Mr. Green: I will be very glad to.

(The same is hereto annexed and marked "Exhibit — to Mr. Green's testimony.")

Mr. Baxter: Are the rates on hemlock, spruce and white pine from northern points to the territory on and north of the Ohio river—how do they compare, first, the actual rate, and, second, the rate per ton per mile with the actual rate and the rate per ton per mile on the yellow-pine lumber from the Georgia district to the same territory of destination?

Mr. Green: The rates are generally higher for like distances.

Mr. Baxter: How are the actual rates themselves?

Mr. Green: Higher.

Mr. Baxter: Have you caused to be compiled a statement showing a comparison of rates on the lumber referred to?

547 Mr. Green: Yes, sir.

Mr. Baxter: Has that statement been correctly compiled?

Mr. Green: Yes, sir.

Mr. Baxter: Will you file it as an exhibit to your testimony?

Mr. Green: Yes, sir.

(The same is hereto annexed and marked "Exhibit 'J' to Mr. Green's testimony.")

Mr. Baxter: Explain to the Commission what that exhibit shows.

Mr. Green: This (referring to exhibit) contains a comparison of rates on yellow-pine lumber from South Georgia points with rates on hemlock, spruce and white pine from northern points to points on and north of the Ohio river. It shows the distances from Georgia and the distances from the northern points to the various destinations named, with the actual rates per hundred pounds, and shows that the actual rates in the North are, as to this statement, always higher than the actual rates from points in Georgia for

548 corresponding distances. This is generally true as to rates in that territory.

Mr. Baxter: Have you caused to be prepared a statement which I now hand you, and if so, has it been correctly compiled? (Handing statement to witness.)

Mr. Green: Yes, sir.

Mr. Baxter: Will you file it as an exhibit to your testimony?

Mr. Green: Yes, sir.

(The same is hereto annexed and marked "Exhibit 'F' to Mr. Green's testimony.")

Mr. Baxter: Explain what that exhibit shows?

Mr. Green: This is a comparison of existing rates on lumber and of distances from points in Georgia and Florida to points on and be-

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yond the Ohio river, with existing rates on lumber and distances between various other points in the United States.

Mr. Baxter: How do the rates from points in Georgia to points of destination compare with the other rates for corresponding distances?

Mr. Green: They are always lower, and that is generally true as to rates in that territory.

Mr. Baxter: I will ask whether you caused that statement
549 (handing statement to witness) to be compiled and whether it has been correctly compiled?

Mr. Green: Yes, sir.

Mr. Baxter: Will you file that as an exhibit to your testimony?

Mr. Green: Yes, sir.

(The same is hereto annexed and marked "Exhibit 'K' to Mr. Green's testimony.")

Mr. Baxter: Explain what that shows?

Mr. Green: This is a comparative statement of rates on fir lumber from Pacific Coast points and pine lumber from South Georgia points to representative points on the Ohio river and beyond.

Mr. Baxter: How do the actual rates from Georgia points, or from South Georgia points to points of destination compare with the actual rates from the Pacific Coast points to the same points of destination.

Mr. Green: They are always substantially less on pine lumber from South Georgia than on fir from Pacific Coast points, and while I have not figured out the average, the rate from Georgia on
550 the whole is less than 50 per cent. of the rate on fir lumber from the Pacific coast.

Mr. Baxter: Well, white pine and fir weigh less than the yellow pine, do they not?

Mr. Green: That is my information.

Mr. Baxter: Take the difference in weight, what figure should that cut in the calculation, if any?

Mr. Green: Fir is lighter than yellow pine. From the best information I can gather, it averages about 3,500 pounds per thousand feet, while the heaviest weight of yellow pine is 4,500 pounds.

Mr. Baxter: Is that difference in weight sufficient to represent the difference that seems to exist there?

Mr. Green: No, sir; the difference in weight to offset the difference in rate—the fir would have to weigh at least not more than one-half as much as yellow pine.

Mr. Baxter: What is the kind or grade of lumber that is shipped from Georgia and Florida to the territory on and north of the Ohio river? Is it high grade, medium or low grade?

Mr. Green: I should say all three.

Mr. Baxter: You referred to a statement just now covering
551 shipments of 41 cars of lumber in March, 1903, that passed over the Southern railway. I wish you would look at it

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again and say what character of lumber is covered by that statement.

Mr. Green: It covers some high-grade flooring and some standard car sills and better, which I understand are medium grade; and it covers some cheap lumber, such as that used for wagon bottoms. Probably the cheapest thing here (referring to exhibit) is pine partitions. It must be the cheapest which I referred to awhile ago.

Com'r Prouty: When did those car-loads move?

Mr. Green: During March.

Com'r Prouty: How did you come to select those particular cars?

Mr. Green: We first secured copies of all our waybills for that month covering pine lumber from points in Georgia to the West. We then compiled the information asked for—all of it except as to the columns showing value at the mill, price per thousand feet, either at the mill or destination and the quality and kind of lumber.

552 That statement of the whole movement was divided up into sheets and given to our representatives in that northern territory who visited consignees and, as far as they could, obtained from consignees this information which I have shown here. They could not get it as to the whole statement, because some consignees were unwilling to give us that information. This represents the number of cars out of probably 600 which we could run down and get the whole information on.

Com'r Prouty: You have somewhere a statement which will show the total number of cars you handled out of Georgia to the West, or to the Ohio River crossings for that month, have you not?

Mr. Green: I think I have. I am not certain as to that. As I say, I gave these sheets to our western representatives out there. I am not certain that they were all returned, but I think they were.

Com'r Prouty: It will show the cars and the destinations?

Mr. Green: Yes, sir.

Com'r Prouty: If you can find that statement, I wish you would file it.

Mr. Green: I will do so.

(The same is hereto annexed and marked "Exhibit to Mr. Green's testimony.")

553 Mr. Baxter: With reference to what is required to equip flat cars for the carriage of lumber, I wish you would read into the record rules 12 and 13 of the Master Car Builders' Association.

Mr. Green: This is under the heading of "Rules governing the loading of long materials on open cars." The sections I read apply not only to lumber but to other long materials which require the protection referred to.

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"Rule 12. All stakes, clamping pieces, bearing pieces and braces must be sound, straight-grained lumber (hardwood preferred) free from knots that would materially impair their strength. Care must be taken to keep the stakes from spreading at the top while the cars are being loaded, and in no case must the load exceed the width of the car. Stakes should not be less than 4 inches wide by 5 inches deep, tapered at the ends to accurately fit into stake pockets, which should not be less than 3½ by 5 inches.

"Rule 13. Opposite stakes must always be fastened together. When the specified fastening is by means of boards, there must be two boards for every pair of stakes, each board not less than
554 1 by 6 inches in section, and fastened at each end by not less than three ten-penny nails. When the specified fastening is by means of wire, the wire used must be equal to six strands or three wrappings of No. 8 telegraph wire, and the wire must be secured to prevent it from slipping."

That is the end of it.

Mr. Baxter: Are those requirements with reference to securing loading on flat cars, confined to lumber, or are they applied to other kinds of freight?

Mr. Green: They are applied to other kinds of freight.

Mr. Baxter: What other kinds?

Mr. Green: All kinds of freight requiring protection when loaded on open cars. Similar requirements apply to the loading of tan bark, long structural material, girders, etc., and pipe and stone.

Mr. Baxter: What is the object, Mr. Green, that the railroads have in view in requiring lumber and other long materials that you have just referred to to be secured?

Mr. Green: To secure its safety in transportation.

Mr. Baxter: You mean the safety of the lumber itself, or the safety of the train in which the lumber is carried, as well?

555 Mr. Green: Yes, sir; both.

Mr. Baxter: The rates on lumber carried on flat cars, are they assessed in view of these requirements of the shippers or otherwise?

Mr. Green: Yes, sir; I have no doubt that when these rates were first adjusted they would have been higher if the railroads had been required to furnish this equipment and protection.

Mr. Baxter: Prior to November 28, 1891, were not the rates on flat cars from Georgia, Group 1, to Cairo, 3 cents per hundred pounds higher than the rates on box cars?

Mr. Green: They were.

Mr. Baxter: Now, since November 28th, 1891, have not the rates on flat cars been reduced so as to be no higher than the rates on box cars?

Mr. Green: They have.

Mr. Baxter: Do you know what the freight amounts to on the

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weight of the standards, braces and supports generally used in securing lumber on flat cars?

Mr. Green: You mean the average freight?

Mr. Baxter: Taking the average weight of those standards and supports and the average rate of freight, what would that
556 amount to.

Mr. Green: My information is—and I had some tests made of it by actually taking these stakes, strips and supports and weighing them—that the average weight was less than a thousand pounds; probably 800 pounds. I could not say as to the average freight rate on all shipments of yellow-pine lumber in open cars, but on those that move by the Southern railway it is less than 25 cents per hundred pounds.

Mr. Baxter: You say the average rate is 25 cents?

Mr. Green: Yes, sir. Therefore, the average cost of freight per car is less than two dollars.

Mr. Baxter: The lumber that is contained in the standards, strips and supports, is that thrown away at destination, or can it be used, and if so, for what?

Mr. Green: My understanding is that the strips that go between the piles of lumber are used at destination and likewise the larger pieces, for piling lumber there. I am informed that in one place at least that material is used and sold as kindling and has a value at destination.

Mr. Baxter: What are the requirements with reference to
557 shippers of live stock on railroads?

Mr. Green: They have to bed cars and furnish partitions at their own expense when needed.

Mr. Baxter: How is it with reference to machinery, agricultural implements, vehicles and other articles of that kind?

Mr. Green: Any material used in securing the loads of such commodities is at the expense of the shipper.

Mr. Baxter: Now, in assessing the freight charges upon articles that require packages, bracing or security of any kind, are those charges assessed on the net weight of the article, or on the gross weight that includes the weight of the package?

Mr. Green: The gross weight.

Mr. Baxter: The market that has grown up north of the Ohio river for southern yellow-pine lumber, how long has that market been in existence?

Mr. Green: To my knowledge, at least 17 or 18 years. I do not mean to say that I have knowledge of movement from Georgia as far back as that, because I have not been familiar with the
558 Georgia business as long as that, but I do know there was a movement from Alabama and Mississippi as far back as that

Mr. Baxter: Do you know what efforts, if any, were made by the

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southern railways to build up and advertise the yellow-pine lumber from the South so as to increase its use up there?

Mr. Green: The southern lines have adjusted their rates to that territory so as to encourage movement, and some of them at least, have, in making contracts for the construction of equipment, required the use of southern yellow pine in that equipment.

Mr. Baxter: Mr. Culp spoke today of the successive reductions in rates that have been made by the southern lines from Georgia Group No. 1 to Cairo, the first reduction November 28, 1891, when the rate on box cars was reduced from 20 cents to 17 cents; then, on June 15, 1893, it was reduced from 17 to 16; and on May 17, 1894, from 16 to 13 cents per hundred pounds. What was the object of making those various reductions during that period of time?

Mr. Green: To assist the Georgia shipper in meeting in the territory on and north of the Ohio river competition from Arkansas and other States west of the Mississippi river.

559 Mr. Baxter: Can you state the average distance from Arkansas, Texas and Louisiana points to Cairo and then the distance from an average point in Group 1 in Georgia to Cairo?

Mr. Green: Yes, sir. The average distance from Arkansas, Texas and Louisiana to Cairo is 479 miles, and from Georgia Group 1 points to Cairo 695 miles.

Com'r Prouty: In giving the average distance from Arkansas, what line did you take?

Mr. Green: Well, sir; I could not answer that question because I did not personally compile these figures, but I can say generally that it is taken over the lumber line actually producing and shipping lumber. I can give you that exact information.

Mr. Baxter: I understand in both instances it was the shortest available rail line?

Com'r Prouty: Has he any statement there showing the distance from Mississippi to Cairo?

Mr. Green: Yes, sir; those statements there will show distances from Mississippi.

Com'r Prouty: The average?

560 Mr. Green: No, sir.

The Chairman: You do not know, Mr. Green, just how that average was ascertained?

Mr. Green: No, sir; I can give you the information if you desire it.

The Chairman: You instructed some person to prepare the figures?

Mr. Green: Yes, sir.

Com'r Prouty: Now, he only answered part of your question. He gave the average distance from Arkansas, but not from Louisiana and Texas.

Mr. Baxter: I understood him to say that the average distance

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from Arkansas, Texas and Louisiana was 179 miles and from Georgia Group 1, 635 miles. Now, Mr. Green, as I understand, prior to May 17, 1894, the Arkansas mills had at all times lower rates to Cairo than the mills in Georgia Group No. 1?

Mr. Green: Yes, sir.

Mr. Baxter: That the Georgia roads continued to reduce that difference by the reductions I have heretofore called to your attention until May 17, 1894, when they arbitrarily put the Georgia Group 1 mills on a parity with the Arkansas, Texas and Louisiana mills. Is that true?

361 Mr. Green: That is correct.

Mr. Baxter: Now, is there any other commodity produced in Georgia or in the South anywhere where the railroads have made any such arbitrary adjustment of rates to favor its introduction into a market?

Mr. Green: No, sir.

Mr. Baxter: If that adjustment in favor of Georgia Group No. 1 had not been made, could the Georgia mills have competed in the territory on the north of the Ohio river as successfully as they have done with lumber from Arkansas, Texas and Louisiana?

Mr. Green: I think not.

Mr. Baxter: How do the prices actually paid for yellow-pine lumber in Georgia, since January, 1902, compare with those that were in existence at that time—the prices since January, 1902, compared with those of January 1902?

Mr. Green: The prices paid by the Southern railway for lumber in Georgia, since January, 1902, exceed the prices they were paying at that time and prior to that time. I understand the price list, whatever it amounts to, is the same now as that adopted in January, 1902.

Mr. Baxter: I wish you would look at the paper now
362 handed you (handing paper to witness) and state whether you have caused it to be compiled.

Mr. Green: I have.

Mr. Baxter: And whether it has been correctly compiled?

Mr. Green: It has.

Mr. Baxter: Explain to the Commission what it shows and file it as an exhibit to your testimony.

(The same is hereto annexed and marked "Exhibit 'M' to Mr. Green's testimony.")

Mr. Green: This is a statement of pine lumber purchased from mills named below in south Georgia for the calendar year, 1902, and four months to April 30, 1903, by the Southern railway, and shows the names of the different firms, their location, the number of feet purchased from each during the calendar year 1902, and for the four months ending April 30, 1903, and the amount paid to each

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firm and for each period. I will not read the whole statement, but the average paid per thousand feet by the Southern railway to mills in south Georgia for the calendar year 1902 was $13.90, and
563 for the four months ending April 30, 1903, $14.40, an increase of 50 cents per thousand during the last-named period.

Mr. Baxter: Examine the paper now handed you and state whether you caused it to be compiled, and if so, whether it is correctly compiled?

Mr. Green (after examining paper): Yes, sir.

Mr. Baxter: Explain to the Commission what it shows and file it as an exhibit to your testimony.

(The same is hereto annexed and marked "Exhibit 'T' to Mr. Green's testimony.")

Mr. Green: This is a statement of prices paid in Georgia by the Southern Railway Company for yellow-pine lumber per thousand feet for the years 1899 and 1903, and shows not only an increase in the price per thousand feet, but an increase in the price of each kind of lumber purchased. It shows that lumber purchased for bridges cost us in 1899 an average of $10.67 per thousand feet and in 1903 an average of $13.40 per thousand feet, an increase of $2.73 per thousand feet, or 25.6 per cent. Lumber purchased for car repairs in 1899 cost us an average of $9.63 per thousand feet and in 1903 $14.10 per thousand feet, an increase of $4.47, or 46.4
564 per cent. Lumber purchased for flooring and ceiling cost us in 1899 an average of $10.02 per thousand feet and in 1903 $16.24 per thousand feet, an increase of $6.22, equal to 62 per cent.

Mr. Baxter: The scale of prices agreed upon by the Georgia association in January, 1902, how does that compare with prices prevailing prior thereto?

Mr. Green: My information is that it was a substantial advance over the prices prior to January, 1902. This is confirmed by information obtained as to prices in the West.

Mr. Baxter: Look at the paper now handed you (handing paper to witness) and say whether you caused that to be compiled and whether it is correct or not.

Mr. Green: Yes, sir.

Mr. Baxter: File that as an exhibit to your testimony.

Mr. Green: Yes, sir.

(The same is hereto annexed and marked "Exhibit 'N' to Mr. Green's testimony.")

Mr. Baxter: Explain to the Commission what that paper contains.

Mr. Green: This shows average cost of yellow-pine lumber
565 purchased by the Southern Railway Company for calendar years indicated, beginning with 1898 and including 1902 and

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for the first quarter of 1903. Without reading it all, it shows that the increase for the first quarter of 1903 in the price per thousand feet was $4.74, or $48.87 per cent.

Mr. Baxter: Over what?

Mr. Green: Over 1898. It also shows a steady increase in the average price for each year following 1898.

Mr. Baxter: Can you give the average price per thousand feet of yellow-pine lumber purchased by the Southern railway from all sources, including Georgia, for the fiscal year ending June 30, 1899?

Mr. Green: Yes, sir; I think I have that information here. From all sources, including Georgia, for the fiscal year ending June 30, 1899, it was $9.84.

Mr. Baxter: What was the average price for the fiscal year ending June 30, 1902?

Mr. Green: $12.72.

Mr. Baxter: And for the six months ending December 31, 1902?

Mr. Green: $12.72.

566 Mr. Baxter: Examine the statement now handed you (handing paper to witness) and say whether it has been compiled by you.

Mr. Green: It has.

Mr. Baxter: Has it been correctly compiled?

Mr. Green: Yes, sir.

Mr. Baxter: Please file that as an exhibit to your testimony.

(The same is hereto annexed and marked "Exhibit 'O' to Mr. Green's testimony.")

Mr. Baxter: What does it show?

Mr. Green: It shows the Chicago market quotations on long-leaf yellow-pine lumber in dollars and cents per thousand feet for each quarter beginning with 1898 and ending with the first quarter of 1903. I will have the additional information so as to bring it up and include the second and third quarters, and show what the present market quotations are.

Com'r Prouty: From what source do you obtain those quotations?

Mr. Green: From the files of the "American Lumberman," the official trade journal of Chicago.

567 Mr. Baxter: Is that a paper whose quotations are relied upon in the business world?

Mr. Green: Yes, sir.

Mr. Baxter: Speaking generally, what does that statement show as to whether during the period covered by it the prices of yellow-pine lumber in the Chicago market have advanced or declined?

Mr. Green: It shows substantial advances.

Com'r Prouty: How was the last quarter as compared with the one before—the last quarter you have and the next to the last?

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Mr. Green: The last quarter of 1902 and the first quarter of 1903 are exactly the same.

Com'r Prouty: Compare the first quarter of 1903 with the first quarter of 1902.

Mr. Green: On first and second flooring the prices were $1.50 less.

Com'r Prouty: Less when?

Mr. Green: Less in 1903 than in 1902. On common flooring the prices were the same. On dimension stuff and timbers under
568 12 by 12 and under 30 feet in length, the prices were the same, showing that with the exception of first and second flooring the prices were practically the same.

Mr. Baxter: Have you telegraphed for the quotations for the second and third quarters of 1903, to bring those quotations down to date?

Mr. Green: Yes, sir; and for the month of October. I have a telegram from our representative in Chicago, which is dated yesterday, October 27. He says:

"Best available information indicates second and third quarters as well as October in Chicago market practically the same as first quarter, which you have. There is slight stiffening in dimension stuff and some indication of reduction in flooring."

Mr. Baxter: When you get that information, will you add it to that exhibit so as to bring it down to the date of hearing?

Mr. Green: Yes, sir.

Mr. Baxter: During the last few years has the cost of operating railroads in the South increased or decreased?

Mr. Green: It has very greatly increased.

Mr. Baxter: How does the percentage of increase in cost of
569 operation of railroads compare with the percentage of increase in their gross earnings?

Mr. Green: The percentage of increase in cost of operation is greater than the percentage of increase in gross earnings as to the Southern railway, which is the only line of which I can speak of personal knowledge.

Mr. Baxter: Look at the paper now handed to you (handing paper to witness) and state whether that has been compiled by you?

Mr. Green: It has.

Mr. Baxter: And whether it has been correctly compiled?

Mr. Green: Yes, sir.

Mr. Baxter: I wish you would file that as an exhibit to your testimony and explain to the Commission what it contains.

(The same is hereby annexed and marked "Exhibit 'P' to Mr. Green's testimony.")

Mr. Green: This is a statement based upon official records of the Southern Railway Company, showing increase in the expenditures

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on items of lumber, fuel for locomotives, wages of employes,
570 locomotives and freight cars and steel rails with the percentage of such increase and the percentage of increase in the gross earnings of the Southern Railway Company.

Mr. Baxter: What fiscal years does that statement cover?

Mr. Green: The five fiscal years beginning with the year ending June 30, 1898, down to 1902, inclusive.

Mr. Baxter: Does the statement show the amount paid by said company for each of those years for each of those items?

Mr. Green: Yes, sir.

Mr. Baxter: Does it show the percentage of increase of cost in each of those items for each of those years?

Mr. Green: Yes, sir.

Mr. Baxter: Does it show the increase of gross earnings of that company for each year over the preceding year?

Mr. Green: Yes, sir.

Mr. Baxter: And the percentage of increase in gross earnings of each year over the preceding one?

Mr. Green: Yes, sir.

Mr. Baxter: Does it show the estimated increase on those items for the year 1903?

Mr. Green: Yes, sir.

571 Mr. Baxter: Are there any other items, not mentioned in that exhibit, the cost of which has increased?

Mr. Green: Yes, sir; many of them. These are the most important.

Mr. Baxter: Are those items upon which the cost has so increased—were they necessary or not to the proper operation of that road?

Mr. Green: Yes, sir; the road could not have been operated without them.

Mr. Baxter: Please examine the paper handed you (handing paper to witness) and state whether you caused it to be compiled?

Mr. Green: Yes, sir.

Mr. Baxter: Has it been correctly compiled?

Mr. Green: It has.

Mr. Baxter: Please file it as an exhibit to your testimony and explain to the Commission what it contains.

(The same is hereto annexed and marked "Exhibit 'U' to Mr. Green's testimony.")

Mr. Green: This statement shows the average price paid
572 by the Southern Railway Company per locomotive and per car, during the years 1898 and 1902, respectively, and the average cost per pound of tractive power for locomotives and per hundred pounds of capacity for cars.

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Mr. Baxter: What does it show as to whether the increased cost of locomotives has been caused by the increased power or capacity?

Mr. Green: It shows that the increased cost per pound of tractive power was 6.9 cents, or 21.9 per cent., and therefore that the increased cost was not entirely due to the increased size, but was due to the increased cost of materials and labor in construction.

Mr. Baxter: With reference to the increased size of your cars, what have you to say?

Mr. Green: It shows that the increased cost per 100 pounds of capacity was 33 cents or 38.3 per cent., so that it actually cost us that much more for a unit of capacity than the cars of smaller size.

Mr. Baxter: What effort, if any, did the Southern Railway Company make to supply the mills in Georgia and Florida with cars to move their lumber during the last few years?

573 Mr. Green: Since the organization of the Southern railway it has increased its box-car equipment—I do not recall the exact number of cars, but my recollection is something over 18,000, or practically 100 per cent. It has increased its flat-car equipment, as I recall, 2,418 cars, or something more than 90 per cent.

Mr. Baxter: When the company endeavored to purchase new locomotives and cars, did they get them furnished as they had contracted for them to be by those who built them?

Mr. Green: No, sir; there was quite a serious delay in the delivery of our equipment the last two years anyhow, when contracted for.

Mr. Baxter: If the cars furnished by the Southern Railway Company to the mills in Georgia since February 4, 1903, had been used by the mills exclusively for moving the lumber for which contracts had been made prior to that date, would there not have been sufficient to move that lumber by April 15th, 1903?

Mr. Green: I have no doubt there would.

Mr. Baxter: Have the net revenues of the Southern Railway Company rapidly or steadily increased the last few years?

574 Mr. Green: They have not.

Mr. Baxter: Now, if you eliminate the detached lines from the Southern railway in Kentucky and north of the Ohio river and confine yourself to the Southern Railway system, proper, what do the increased gross earnings for the eight months from July, 1902, to February, 1903, amount to?

Mr. Green: I do not remember those figures, but I have them (referring to papers).

Mr. Baxter: Will that be shown by the exhibit you heretofore filed, Mr. Green?

Mr. Green: I think so, the exhibit of earnings?

Mr. Baxter: Yes, sir.

Mr. Green: I do not recall whether that exact information is in there or not (referring to exhibit). The increase in gross earnings for the period of eight months from July, 1902, to February, 1903, of

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the Southern Railway system, omitting the detached lines in Kentucky and north of the Ohio river, amounted to $2,580,884.96.

Mr. Baxter: That was the increase in gross earnings?

Mr. Green: Yes, sir. The net earnings decreased for the same period $77,773.69.

575 Com'r Prouty: Do those statements cover the same mileage in both cases?

Mr. Green: Yes, sir.

Mr. Baxter: State whether you compiled the statement now handed you (handing the statement to witness).

Mr. Green: It was compiled and furnished me by our auditor.

Mr. Baxter: Please file it as an exhibit to your testimony.

(The same is hereto annexed and marked "Exhibit 'Q' to Mr. Green's testimony.")

Mr. Baxter: What does it show?

Mr. Green: It shows the average earnings and expenses, interest and rentals, and other deductions per mile of road of Southern Railway Company, for fiscal years ending June 30, 1898, up to 1902, inclusive, and for the nine months ended March 31, 1902, and the nine months ended March 31, 1903. It shows the gross earnings for each year, operating expenses and taxes for each year, the earnings less operating expenses and taxes, the interest, rentals and other deductions, and the net balance for each year. It shows a decrease in the net balance since 1901.

576 Com'r Prouty: Does it show a decrease in your net results from operation?

Mr. Green: Yes, sir.

Com'r Prouty: The net balance may be one thing, but looking merely to operating expenses—taking gross income from operation and expenses of operation, does that show an increase?

Mr. Green: An increase in net results, but a decreasing increase. That is shown in the previous exhibit.

Com'r Prouty (referring to last exhibit): Your earnings less operating expenses in 1898 were $1,365 a mile; in 1902 they were $1,611, an increase of $350 about. At the same time your net balance increased from $136 to $411—somewhat less than the other. You show an increase every year, except the last year in the net balance.

Mr. Green: Except the last two, I think.

Com'r Prouty: No, the net balance in 1900 was $412, in 1901 $460; and in 1902 $411. Now, your earnings less operating expenses show an increase every year. They show an increase from 1901 to 1902 of about fifty or sixty dollars a mile.

Mr. Green: A decrease in 1902.

577 Com'r Prouty: There is no decrease in your net earnings from operations?

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Mr. Green: No, sir; a very slight increase.

Mr. Baxter: Mr. Green, will you examine the paper now handed you (handing paper to witness) and state who that has been compiled by.

Mr. Green: Yes, sir; this condensed information you already have. This was also compiled and furnished me by the auditor.

Mr. Baxter: Please file it as an exhibit to your testimony.

(The same is hereto annexed and marked "Exhibit 'R' to Mr. Green's testimony.")

Mr. Baxter: State what that shows.

Mr. Green: It is a comparison of gross and net earnings for four years ending June 30, 1902, and for six months ending December 31, 1902. I will merely read the percentages.

Com'r Prouty: Are those gross and net earnings from operation, or do they embrace the entire gross and net from all sources?

Mr. Green: I understand they embrace the entire gross and net.

578 Mr. Baxter: What was the percentage of increase of gross earnings for 1899 over 1898?

Mr. Green: 20.18 per cent.

Mr. Baxter: What was the percentage of increase of net earnings for 1899 over 1898?

Mr. Green: 21.28 per cent.

Mr. Baxter: What was the percentage of increase in gross earnings for 1902 over 1901?

Mr. Green: 8.8 per cent.

Mr. Baxter: What was the percentage of increase in net earnings for 1902 over 1901?

Mr. Green: 5.32 per cent.

Mr. Baxter: What was the percentage of increase in gross earnings for the six months ended December 31, 1902, over the six months ended December 31, 1901?

Mr. Green: 12.24 per cent.

Mr. Baxter: What was the percentage of increase in net earnings for the six months ended December 31, 1902, over the six months ended December 31, 1901?

Mr. Green: 4.07 per cent.

579 Mr. Baxter: Mr. Green, something has been said about the rates from Georgia points to Ohio River points and beyond being 1 cent per hundred pounds higher than rates from points in Mississippi?

The Chairman: Mr. Baxter, have you nearly completed this sort of testimony?

Mr. Baxter: No, sir; I have not.

The Chairman: Have you copies of these various exhibits?

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Mr. Baxter: I have only one for my own files and one for the Commission.

The Chairman: You keep copies yourself and furnish a copy to the stenographer?

Mr. Baxter: I furnish the stenographer a copy and try to keep one myself, but find it very difficult to do it.

The Chairman: Well, if counsel on the other side desire to look at some of these exhibits for the cross-examination of Mr. Green, they may get them from the stenographers.

Mr. Miller: I want to say before adjournment that in order to let Mr. Culp get away on important private affairs, we have made an agreement that so much of his testimony as may be applicable in the other case shall be so considered and taken from this record, and in the event that either side desire to ask him other ques-
380 tions, it shall be done by interrogatories, to be crossed by the other side. I would like the record to show that.

The Chairman: Very well. We will now adjourn till 10 o'clock tomorrow morning.

At 5 o'clock p. m. the Commission adjourned until 10 o'clock a. m. October 29th, 1903.

381 ATLANTA, GA., *October* 29, 1903—10 a. m.

The Chairman: Gentlemen, you may proceed.

Mr. Miller: Before proceeding with the case on trial, we would like to get some information if possible in regard to the chances of trying the other case, the case of the Central Yellow Pine Association, in which we are interested in Mississippi and Louisiana. Another thing I want to refer to: There was an order issued on defendants to produce certain documents and papers in the case of The Central Yellow Pine Association against The Illinois Central and other roads. I presume their position will be the same as in the other case, but we would like to know what documents and information will be produced in obedience to the order, so we can determine what course we should take in regard to the other. Judge Baxter cannot tell me now because he is so engrossed with the Georgia Saw Mill Association case that he has not had an opportunity to go over the matter and see what is to be produced.

The Chairman: As to your first suggestion, Mr. Miller, it appears that hearing these two cases separately will require a longer
382 time than the Commission had expected to devote to them. Our engagements are such that none of us can remain here longer than Saturday evening and some of the Commissioners will be obliged to leave before the end of the week. Probably three members will remain until Saturday to hear this case. On Monday the suggestion was made, which I understood to meet with approval, that counsel in these cases would confer with reference to these re-

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quests for information and agree as far as possible as to what could be furnished, and if there was a disagreement as to any of the items the Commission would endeavor to settle the difference.

Mr. Miller: I understood that only to relate to the other case (the Georgia Saw Mill Association case).

The Chairman: We understood it to apply to both cases. Mr. Miller, we are disinclined to say this morning that the case in which you are interested will not be taken up, at this session. We are anxious at least to make a beginning in your case. It may develop by the time we adjourn this afternoon what can be done, and we are not disposed to say now that your case will not be taken up.

As to this matter of information which has been called for, Judge Baxter, what have you to say about that?

583 Mr. Baxter: I have been continuously engaged from early morning until late at night in going over these complicated facts in this Georgia case, the rates, etc., and I have had no time that I could possibly give to the question of production of what has been asked for.

The Chairman: I understand the same information has been asked for in both cases.

Mr. Baxter: I have not had an opportunity to see what the auditor of the roads have furnished in compliance with the request or notice. I will take it up and analyze it and see what can be done.

The Chairman: Will it not be practicable for counsel to have the suggested consultation with a view to arriving at some understanding, either at recess today or this evening?

Mr. Baxter: Other counsel who are here could have a meeting today. I will ask them to take charge of that branch of the case for me, so I can be left to go on with the examination of witnesses and hurry that through as fast as I can. That collateral matter I cannot take up as long as I am kept here with the examination of witnesses. If that was suspended I could do it.

584 The Chairman: Cannot counsel for respondents other than Judge Baxter, confer with counsel on the other side with reference to these requests for information? Some of the requests undoubtedly can and will be complied with. Others perhaps can be modified to such an extent that the defendants will be willing to furnish that information, and if there remain differences which require it, the Commission will endeavor to make some order.

Mr. Andrews: Other counsel of the roads can relieve Mr. Baxter of this matter and confer with him after we have had the consultation, and I will attend any conference for that purpose.

Mr. Bowers: I can speak for the Mobile & Ohio.

The Chairman: Then we ask counsel other than Mr. Baxter to have a conference today for that purpose. Are you ready now to proceed with the examination of Mr. Green?

Mr. Baxter: Yes, sir.

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Mr. Green resumed the stand.

Mr. Green: I would like to make one correction in my testimony of yesterday, relating to Exhibit G, which contains a record
585 of 45 cars of lumber shipped from points in Georgia to points on and north of the Ohio river, during the month of March, with a comparison of freight charges and the invoice value thereof. I made a statement in answer to an inquiry from Commissioner Prouty that that statement or exhibit contained all cars in the list of six hundred and odd of which we obtained a complete record. That is not entirely correct. In going over the original sheets last night I found that the data prepared and filed as Exhibit G was intended to show that much of the lumber shipped to points on and north of the Ohio river does exceed the freight charges in value, and not that all exceeded the freight charges in value. You asked me for these original sheets, Commissioner Prouty; I am not certain that they are all here.

Commissioner Prouty: Won't you please have these put together so as to show the cars that moved to Cincinnati, Detroit and other principal shipping points in that territory?

Mr. Green: Yes, sir; I will do that.

Commissioner Prouty: Have them put together and then file them as a part of your exhibit.

Mr. Green: Yes, sir. I find in going over these original sheets that there were a number of shipments of low-grade lumber,
586 called good and bad culls, from points in Georgia to Ohio River points and beyond. We have complete information relating to six cars of this character of lumber from Knox Mill, Ga., to Louisville, for the Kentucky Wagon Company; the lumber being used for wagon bottoms, and termed by the wagon Co. blue boards, because of their moldy appearance. Pieces, knotted and short lengths, and those of a thickness less than one inch when dried and one and one-sixteenth inch when green are considered bad culls. The total weight of these six cars was 275,600 pounds. The freight charges were $638.32. There were in the six cars 56,716 feet of good culls, and 7,257 feet of bad culls; total 63,973 feet. The invoice price f. o. b. mill was $391.73, or an average of $6.12 per thousand feet. The freight charges on these cars exceeded the invoice value $237.59. There were other movements of cull lumber as part car-loads with lumber of other grades. The invoice price of these culls f. o. b. mill was $4.25, $4.50, $5.00 and $6.00 per thousand feet, respectively. We are informed that these culls are the lowest grade of lumber manufactured and that they are made from material which formerly went into the slab pit. There were also shipments of other kinds of lumber invoiced to $10.00 per thousand feet or less, as follows: One car at $7.50 per thousand feet f. o. b.
587 mill; three cars at $8.50 per thousand feet f. o. b. mill; six cars at $8.75 per thousand feet f. o. b. mill; four cars at $9.00

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per thousand feet f. o. b. mill; two cars at $9.50 per thousand feet f. o. b. mill; six cars at $10.00 per thousand feet f. o. b. mill.

Mr. Baxter: Mr. Green, is it universally true that the rates from Georgia points to Ohio River points and beyond are one cent per hundred pounds higher than rates from points in Mississippi?

Mr. Green: No, sir.

Mr. Baxter. You had a map handed you yesterday. Explain what that map illustrates.

Mr. Green: It shows the various groupings of the yellow-pine-producing territory in Georgia, Alabama and in Mississippi, south of the Alabama and Vicksburg road, as shown in Southern Railway pine lumber tariff No. 6.

Mr. Baxter: Now, how do rates from points on the line of the Southern railway between Macon and Brunswick compare with rates from lower Mississippi points?

Mr. Green: They are the same as from lower Mississippi Valley points.

Mr. Baxter: How is the rate from Jesup, Georgia, to Cin-
588 cinnati, Ohio, made—to meet what competition, if any?

Mr. Green: To meet competition from Mississippi, Arkansas, and other lumber-producing territory.

Mr. Baxter: Now, how does the rate from Jesup, Ga., to Cincinnati, Ohio, compare with the rate from Laurel, Miss., to Cincinnati, O.?

Mr. Green: It is the same.

Commissioner Prouty: Where is Jesup, Ga.? In what group?

Mr. Green: On the Macon division between Macon and Brunswick.

Mr. Baxter: How do the distances compare? What is the distance from Laurel to Cincinnati?

Mr. Green: Six hundred and eighty-seven miles by the short line.

Mr. Baxter: Now, what is the distance from Jesup to Cincinnati?

Mr. Green: Seven hundred and twelve miles.

Mr. Baxter: Is Cordele, Ga., a representative lumber-shipping point? If not, why not?

Mr. Green: I think not, because there are not any impor-
589 tant mills located at Cordele.

Mr. Baxter: How do the rates on lumber from Georgia, per ton per mile, compare with the rates from Mississippi territory to Cairo for beyond?

Mr. Green: They are lower per ton per mile from Georgia than from Mississippi.

Commissioner Prouty: To what point?—to all points, or to Cincinnati?

Mr. Green: Judge Baxter asked me with reference to Cairo.

Mr. Baxter: Are not the rates to Cairo for beyond made to meet competition with Arkansas lumber?

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Mr. Green: Yes, sir.
Mr. Baxter: What is the rate per ton per mile from Cordele, Ga., to Cairo, Ill.?
Mr. Green: I can give you that by figuring it.
Mr. Baxter: You can figure it out and hand it in to the stenographer afterwards?
Mr. Green: Yes, sir, I will.
Mr. Baxter: Also the rate per ton per mile from Laurel, Miss., to Cairo?
Mr. Green: Yes, sir.
590 Mr. Baxter: And give us the distance from Cordele to Cairo and the distance from Laurel to Cairo?
Mr. Green: From Cordele and Laurel to Cairo?
Mr. Baxter: Yes, sir.
Mr. Green: I will do so.
Mr. Baxter: During the past four years, Mr. Green, what increases have been made in the rates on lumber from points in Georgia to points on and north of the Ohio river? Has there been a uniform increase or has there been a difference in the amount of increase from different groups in Georgia territory? If so, what have those increases been?
Mr. Green: There was an increase made in September, 1899, varying in extent. The increase from points on the Southern railway between Macon and Brunswick was one cent. The increase from points on lines south of Macon, including those lines taking the same rate as G. S. & F. Group No. 1, was two cents. Some time subsequent to that, I think on January 1st following, the lines north of the Ohio river made an increase in the arbitrary from Ohio River crossings of one cent, so that the total increase in through
591 rates at or about that time was two cents in some cases and three cents in others.
Mr. Baxter: What was the condition of the lumber market at the time those advances were made? Were the prices of lumber going up or down and was the demand increasing or decreasing?
Mr. Green: Prices had advanced, and were advancing. I have some information here as to what the prices were.
Mr. Baxter: Mr. Green, as to those advances you speak of, were they made only in the rates to or via Cairo, or were they made to all the Ohio River crossings—Louisville, Evansville and Cincinnati uniformly?
Mr. Green: The advance at that time was made in the Cairo rate.
Mr. Baxter: Was the rate to Evansville, Louisville and Cincinnati also advanced at the same time?
Mr. Green: I can tell you in a moment exactly what the changes were. (After referring to memorandum)—the advance was uni-

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form. September 8, 1899, we advanced the rate one cent to all Ohio River crossings.

Mr. Baxter: The advance made by the lines north of the
592 Ohio river was uniform from all those crossings, was it not?

Mr. Green: Yes, sir.

Mr. Baxter: And the advance made by the lines south of Macon was also uniform, was it not—one cent?

Mr. Green: Yes, sir.

Mr. Baxter: You said a moment ago that you had something on the prices of lumber there?

Mr. Green: Yes, sir, the Chicago market quotations on yellow-pine lumber. The quotations for the third quarter of the year 1898 were as follows: 1sts and 2nds flooring $14.00; for the fourth quarter the same lumber, $15.00 to $16.00.

For the first quarter of 1899 $15.00 to $15.50; for the second quarter of 1899 $16.50 to $17.00; for the third quarter of 1899 $19.00 to $20.00; for the fourth quarter of 1899 $20.75 to $21.75.

Now on common flooring:

For the quarter of 1899 $12.00; for the fourth quarter of 1898 $12.50 to $13.00.

For the first quarter of 1899 $12.50 to $13.00; for the
593 second quarter $14.00 to $14.50; for the third quarter $16.50 to $17.00 and for the fourth quarter $17.75 to $18.25.

Now dimension stuff:

For the third quarter of 1898 $17.00 to $18.00; for the fourth quarter $16.00 to $17.00—a reduction of $1.00.

For the first quarter of 1899 $14.00 to $17.00, a reduction of $2.00 on one grade; for the second quarter $18.00 to $19.00; for the third quarter $16.00 to $18.50; for the fourth quarter $18.25 to $20.75.

Mr. Baxter: Have advances in recent years been made upon the rates on any lumber other than the yellow-pine lumber from Georgia points to points on and north of the Ohio river?

Mr. Green: Our rates apply on all kinds of lumber—our tariff in Georgia.

Mr. Baxter: I mean, have you made advances from any other portions of your line except the Georgia portion? For instance, from the Charleston & Savannah division of your road to Virginia—that is, to interior cities, interior eastern points.

594 Mr. Green: Yes, sir; those rates were advanced.

Mr. Baxter: Have the rates on cotton fabrics from southern manufacturing points to all points in Texas been advanced?

Mr. Green: Yes, sir; those rates were advanced.

Mr. Baxter: And on cotton-seed products except oil, from Mississippi Valley points to interior eastern points, have they been advanced?

Mr. Green: They were also advanced.

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Mr. Baxter: Were the rates on cotton-seed oil from Augusta, Ga., to eastern cities advanced?

Mr. Green: Yes, sir; those rates were advanced.

Mr. Baxter: And the rate on coke from the Birmingham district to Ohio River crossings?

Mr. Green: Yes, sir; that was advanced.

Mr. Baxter: Rates on brick from Virginia cities to southeastern points?

Mr. Green: Advances were made in those rates, yes, sir.

Mr. Baxter: The rates on brick from various southern points to Jacksonville, Fla.?

Mr. Green: Those have been advanced.

595 Mr. Baxter: The rates on building material including cement and lime between all points in South Carolina, for the construction of cotton mills?

Mr. Green: Those rates were all advanced, effective January 1st.

Commissioner Prouty: What year?

Mr. Green: This year.

Mr. Baxter: The rates on cement from Pennsylvania points to the Southeast; have those been advanced?

Mr. Green: Yes, sir, those have been advanced.

Mr. Baxter: The rates on wrought-iron pipe from Virginia cities to southeastern points, have been advanced?

Mr. Green: Advanced.

Mr. Baxter: Rates on manufactured iron from eastern cities to Memphis and Nashville?

Mr. Green: Those have been advanced.

Mr. Baxter: Rates on hides from the West to tanneries in Tennessee and North Carolina?

Mr. Green: Those have been advanced.

Mr. Baxter: The rates on furniture from Georgia and other southern factories to the East, those have been advanced?

596 Mr. Green: Those have been advanced.

Mr. Baxter: Have there been any advances made on other articles except those I have specified?

Mr. Green: Yes, sir.

Mr. Baxter: It has been stated heretofore in the course of the examination that several reductions have been made in the rates on yellow-pine lumber to Cairo for beyond in order to enable the Georgia lumber to be marketed north of the Ohio river in competition with the Arkansas pine. Now, when those reductions were made in the yellow-pine rates from Georgia were they accompanied by a corresponding or similar reduction in the rates on other commodities?

Mr. Green: No, sir.

Mr. Baxter: Mr. Green, I will ask your opinion upon the fact you have heretofore stated and such other facts as may occur to you as

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to the reasonableness or unreasonableness of the rates from points in Georgia and Florida on yellow-pine lumber to points on and beyond the Ohio river.

Mr. Green: I believe the existing rates to be reasonably low.

597 Mr. Baxter: If there are any facts in addition to those you have already stated upon which you predicate that opinion, I wish you would state them.

Mr. Green: Well, sir, they are adjusted with relation to rates from other yellow-pine-producing districts, thus enabling the Georgia producer of pine to reach the territory in competition with other lumber of the same character. They are lower than any other means of transportation. They are as low as or lower generally than rates in other directions for corresponding distances made under similar circumstances. They are as low as or lower than rates between other points in other sections of the country for corresponding distances where the circumstances are similar.

Mr. Baxter: That is all.

Cross-examination:

Mr. Boatright: Mr. Green, at the time the advance in lumber rates was made you stated that numerous other rates were likewise advanced. Were not some rates lowered at about that time?

Mr. Green: I do not think I stated that it was at the time

598 the advance was made in the lumber rates.

Mr. Boatright: I mean about that time, during the general period of prosperity?

Mr. Green: Both before and since the advance in the lumber rates there have been numerous other advances. As I recall, the Interstate Commerce Commission reports show by revising the classification in 1900 there were about 531 advances and I think 146 reductions in the classification.

Mr. Boatright: Have there been any reductions, or any considerable reductions during that period?

Mr. Green: I won't say any considerable reductions. There have been reductions from time to time.

Mr. Boatright: Can you name some of them?

Mr. Green: There has been a recent reduction—probably the most important reduction we have made has been in the rates on pig-iron from southern furnaces to the East and to the West, 50 cents a ton.

Mr. Boatright: Were the rates at one time from the G. S. & F. the same as those from Group 1 of the Southern railway?

Mr. Green: Yes, sir.

Mr. Boatright: Is there any considerable lumber produced

599 on the Southern railway?

Mr. Green: You mean on the line between Macon and Brunswick?

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Mr. Boatright: On the Southern railway in Georgia?

Mr. Green: Not as compared with that which is produced on other lines like the G. S. & L., the Coast Line and the Seaboard Air Line, but I have in my hands a list of the lumber mills on the Southern railway, which shows that as to the lines between Macon and Brunswick there were, on July 2d of last year, when this list was compiled, eighteen mills in operation, with an approximate daily capacity of 450,000 feet. There is one mill which has been brought to my attention in the last day or two, located at Jesup, which is not named in the list. I have in connection with that mill on my desk now an application for rates on logs from points on our Brunswick division. I have recently arranged with an important mill at Brunswick, Georgia, for the movement of logs from points on our line between Macon and Brunswick into Brunswick.

Mr. Boatright: That daily capacity you stated would indicate that those mills were rather small mills, would it not?

600 Mr. Green: Yes, sir; they are mostly small mills.

Mr. Boatright: Is the mill at Jesup a very recent acquisition?

Mr. Green: I don't know. It was not called to my attention until within the last day or two.

Mr. Boatright: You cannot say that any lumber has been moved in recent years from Jesup to this territory in question, can you?

Mr. Green: From Jesup proper?

Mr. Boatright: Yes, sir.

Mr. Green: I cannot say. This particular point was just called to my attention a day or two ago, and just what the capacity is I cannot say.

Mr. Boatright: Why do you compare Jesup with Cordele to the disparagement of the latter?

Mr. Green: Jesup was used as a point on our Brunswick division fairly illustrative of the rate. It has the same rate as all other points on that division.

Mr. Boatright: How far is Jesup from Macon?

Mr. Green: I do not like to name those distances from memory. (After referring to memorandum:) It is 148 miles.

601 Commissioner Prouty: How far is it from Brunswick?

Mr. Green: Thirty-nine miles.

Commissioner Prouty: Is Laurel, Miss., on the Mobile & Ohio?

Mr. Green: No, sir. It is on the New Orleans & Northeastern and the Gulf and Ship Island. It is 56 miles from Meridian by the New Orleans and Northeastern.

Mr. Boatright: Is not Cordele, Ga., located north of the center of the actual lumber-producing territory, so that taking its mileage is really more favorable than the roads would be entitled to on an average distance?

Mr. Green: I cannot say.

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Mr. Boatright: Is it not a fact that the G. S. & F. group extends from Valdosta 150 miles to Macon?

Mr. Green: Yes, sir.

Mr. Boatright: And Cordele is 65 miles south of Macon only?

Mr. Green: I do not recall the distance from Cordele to Macon.

Mr. Boatright: What percentage of the points shown in the western tariffs base on the Cairo combination under existing rates?

602 Mr. Green: Taking the western points carried in our publication—which probably carries a greater number than any other—I should say that not half of them base on Cairo. I do not mean to say of the actual movement into that territory that only fifty per cent. bases on Cairo. You asked me as to how the rates are constructed?

Mr. Boatright: Yes, sir. Would not all of the points in Illinois and Indiana base on Cairo?

Mr. Green: The Cairo combination will affect practically the whole of Illinois and nearly the whole of Indiana, a portion of Ohio, including, I think, Columbus and points up on the lake like Cleveland, Sandusky and Toledo.

Mr. Boatright: Do not the rates to Buffalo and Pittsburg and the territory included under those headings now make on the Cairo combination?

Mr. Green: From points in Georgia?

Mr. Boatright: Yes, sir.

Mr. Green: No, sir.

Mr. Boatright: What is the rate from G. S. & F. Group 1 to Buffalo, Mr. Green?

603 Mr. Green: Thirty-four cents.

Mr. Boatright: How is that rate made?

Mr. Green: On the Cincinnati combination.

Mr. Boatright: 24 and 10?

Mr. Green: Yes, sir.

Mr. Boatright: How is it made from Mississippi?

Mr. Green: I think it is made the same way. I am not certain.

Mr. Boatright: Is the rate from Mississippi territory to Buffalo not 33 cents?

Mr. Green: I think not. I have not a tariff showing that. I have not a tariff showing the rates from the Lower Mississippi section.

Mr. Boatright: This tariff will show it. (Handing tariff to witness.)

Mr. Green: Is this in effect?

Mr. Boatright: I think so.

Mr. Green: I don't know. It is an Illinois Central publication.

Mr. Boatright: It has been in effect since the recent increase in rates.

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Mr. Green: It was published April 15. I do not know
604 whether or not it is in effect now.

Mr. Boatright: It was published at the same time that the increase went into effect from Georgia.

Mr. Green: Buffalo, N. Y., is shown in this tariff as 33 cents.

Commissioner Prouty: Do you know how that rate is made?

Mr. Green: No, sir. I do not.

Commissioner Prouty: What is your rate from points on the Mobile & Ohio to Buffalo?

Mr. Green: It should be the same as that.

Commissioner Prouty: You say you have not that tariff here and cannot say how that is made?

Mr. Green: No, sir. I cannot.

Mr. Boatright: If those rates from Mississippi will reach as far East as Buffalo and Pittsburg, would they not practically include all the territory intermediate between that and the Mississippi river except such as are very near to the basing point—Cincinnati, Louisville and Evansville?

Mr. Green: The Pittsburg rate is not lower from Mississippi. On the contrary, it is one cent higher.

605 Mr. Boatright: The Pittsburg rate is?

Mr. Green: Yes, sir.

Mr. Boatright: What is the rate from the Georgia Southern & Florida Group 1 to Pittsburg?

Mr. Green: I understand it is 32 cents.

Commissioner Prouty: How is that rate made?

Mr. Green: That is made, I think, on the Virginia cities combination—I beg your pardon; the G. S. & F. group is 33 cents.

Mr. Boatright: G. S. & F. Group 1?

Mr. Green: Yes, sir.

Mr. Boatright: When did that become effective?

Mr. Green: It was published in our tariff effective April 15th.

Mr. Boatright: Is that the correct tariff of the G. S. & F. railway? If so, quote the rate to Pittsburg from Group 1.

Mr. Green: I don't know. It is published as 34 cents on this tariff.

Mr. Boatright: Now, what is the rate from Mississippi points to Pittsburg?

Mr. Green: I have not that rate. I say we publish 33
606 cents from G. S. & F. Group 1 in our tariff; 33 cents.

Mr. Boatright: Then it is a fact that Mississippi gets even into Pittsburg territory one cent under corresponding Georgia territory.

Mr. Green: If that tariff is correct, it does, assuming that both of those tariffs are correct it does.

Commissioner Prouty: You say that the Pittsburg rate is made by combination through the Virginia cities' gateways?

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Mr. Green: That Pittsburg rate of 31 cents must be made on the Cincinnati combination.

Commissioner Prouty: How far East is Mississippi lumber actually carried?

Mr. Green: I should say there is very little of it which goes East; certainly we handle little, if any at all.

Commissioner Prouty: Does that move through the Virginia gateways—the Mississippi lumber?

Mr. Green: No, sir.

Commissioner Prouty: Will the tariff permit it to move that way?

607 Mr. Green: I don't know, sir. They market that lumber principally in this northern territory and say they cannot get into the eastern territory in competition with Georgia.

Commissioner Fifer: That is only the cheaper lumber that goes to the western territory, is it not?

Mr. Green: No, sir; I understand that practically all grades of yellow-pine lumber are marketed in the western territory.

Commissioner Fifer: There is a difference in that regard then, is there, from the lumber shipped to that section from Georgia?

Mr. Green: Georgia has its principal market for the lower grades of lumber perhaps in that territory. Mississippi has its principal market for all grades of lumber in that territory. The mill people in Mississippi tell me that practically 75 per cent. of their product goes to that territory. I don't know how true that is.

Mr. Boatright: Is there any good reason why the rates from Mississippi points to these points as far East as Buffalo and

608 Pittsburg should be uniformly one cent less than from points in south Georgia?

Mr. Green: As to our territory we have made them less.

Mr. Boatright: But are there many mills in your territory as compared with territory in which the mills are located?

Mr. Green: I said awhile ago there were not.

Mr. Boatright: How do the mills on the Southern railway in Georgia compare with the mills on the Central of Georgia?

Mr. Green: I don't know how many mills there are, on the Central of Georgia. I have no doubt there are a great many more than there are on the Southern railway.

Mr. Boatright: The lowest rate from the Central of Georgia is higher than the rate from the Southern railway?

Mr. Green: I believe it is.

Mr. Boatright: Is there such dissimilarity in the situation, mileage and conditions of the two roads as would warrant such a difference in rate in your judgment?

Mr. Green: I am not sufficiently familiar with Central of Georgia matters to answer for that company.

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609 Mr. Boatright: They both have a coast outlet. They both reach Chattanooga and connect with the L. & N. on the west; they have practically the same connections.

Mr. Green: You are speaking of a comparison between the Central of Georgia situation and Mississippi?

Mr. Boatright: No, of the Central of Georgia and the Southern railway. What dissimilarity is there between those roads that would warrant a higher rate on lumber on the Central of Georgia to this western territory than is applicable on the Southern?

Mr. Green: I cannot say what dissimilarity might exist from the Central of Georgia standpoint, but there is this one thing, that lumber originating on the Southern railway south of Macon is hauled to Cincinnati and Louisville only over two lines, and the Southern railway has an interest in the haul for the entire distance either to Cincinnati or Louisville. That would not be true as to the Central of Georgia, which gives up its lumber at some shorter junction point; and the Central of Georgia also has routes to the coast, and

610 the movement of lumber in that direction pays it best, I expect. It is proper to say that as to the line of the Southern railway between Macon and Brunswick that when this group was established it was an important lumber-producing line.

Mr. Boatright: That was back in the period when there was great depression in the lumber business and little lumber was moving to the West?

Mr. Green: That grouping was established by the E. T. V. & G. railroad; I do not know when, but certainly long before the existence of the Southern railway.

Mr. Boatright: The Southern railway maintains these same rates whether they carry the lumber into Cincinnati over the Cincinnati Southern, does it not? Even if it delivered it to the Western & Atlantic here in Atlanta the same rate is maintained?

Mr. Green: Oh, yes.

Mr. Boatright: Or if it delivered it to the M. C. & St. L. at Chattanooga?

Mr. Green: Yes, sir.

Mr. Boatright: The Central of Georgia railroad could de-

611 liver it there also?

Mr. Green: Yes, sir; it could.

Mr. Boatright: And on the western route it could deliver it at Birmingham?

Mr. Green: Yes, sir. But the bulk of the lumber we handle from our own stations is handled over our own line through those two crossings—Louisville and Cincinnati.

Mr. Boatright: Is a difference in situation between the Southern railway and that of the Seaboard Air Line sufficient to warrant a difference of one cent per hundred on lumber?

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Mr. Green: I don't know the conditions which surround the Seaboard Air Line.

Mr. Boatright: They are both in a position to make delivery of their lumber to the L. & N.?

Mr. Green: The Central of Georgia and the Seaboard Air Line?

Mr. Boatright: The Southern and the Seaboard Air Line.

Mr. Green: I presume the Seaboard Air Line has arrangements with the L. & N., or it has divisions with the L. & N.

612 Mr. Boatright: And the Seaboard does deliver to the Mobile and Ohio at Montgomery?

Mr. Green: I don't know.

Mr. Boatright: Is it not a fact that the Mobile and Ohio pays to logging roads simply for hauling their logs to mills in Mississippi three cents out a through rate?

Mr. Green: Not to my knowledge.

Mr. Boatright: Have you ever heard of anything of that kind?

Mr. Green: I have heard it charged in connection with the Mississippi case, but have absolutely no knowledge of it.

Mr. Boatright: Have you reason to believe that the information is correct?

Commissioner Fifer: About what?

Mr. Boatright: About the Mobile and Ohio paying three cents out of a through rate to the logging roads for hauling logs to the mills located on their main line? You believe that to be true, do you not, Mr. Green?

Mr. Green: No, sir; I do not.

Mr. Boatright: Don't you believe it to be true?

613 Mr. Green: I don't know anything about it. I have no personal knowledge of the matter at all.

Mr. Boatright: Have you not an opinion on it?

Mr. Green: I believe that the Mobile & Ohio has some logging-road arrangement. What their character is and whether it involves an allowance of three cents or not out of its proportion of the lumber rate, I do not know. I believe they have some such arrangement on their line in Mississippi.

Mr. Boatright: Is not the Mobile & Ohio railroad under the direction or control of the Southern railway?

Mr. Green: I believe it is.

Mr. Boatright: With reference to this general increase in the lumber rate throughout the yellow-pine-producing section, was there any effort made on the part of the Southern railway or other Georgia line in your knowledge to have the lines west of the river increase their rates, or did they do that voluntarily and without suggestion? I am referring to the increase in 1903.

Mr. Green: Do you mean was there a conference between
614 the southern lines and the lines west of the Mississippi river?

Mr. Boatright: Conference or understanding or suggestion;

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I don't know what it might be called. Was there any effort on the part of the Georgia lines to secure this advance from Arkansas territory, or did they make it of their own volition and without consultation?

Mr. Green: I will relate the whole story so far as I know it. My information is that this question of advanced rates on lumber was first discussed at a meeting in St. Augustine on January 28.

Commissioner Prouty: What year?

Mr. Green: 1903.

Commissioner Prouty: You are referring now to this last advance?

Mr. Green: Yes, sir. That is what I understand he is asking about.

Mr. Boatright: Yes, sir, the last increase.

Mr. Green: The conference was between the lumber-carrying roads and I think possibly representatives of some of the Mississippi lines were present but there were none from west of the river so far as I know. I was not present at the conference. There was a subsequent meeting at New Orleans, and I think a third meeting at St. Louis, at which I believe the Arkansas lines were represented. Whether any line east of the Mississippi river suggested an advance from Arkansas I do not know.

Mr. Boatright: Were the rates from Arkansas territory as well as Mississippi and Alabama all put into effect, or intended to be put into effect at the same time—April 15th?

Mr. Green: Yes, sir.

Mr. Boatright: Do you think that would have been possible, Mr. Green, without some common understanding?

Mr. Green: I do not think there is any doubt about the date the rates were to become effective. We would hardly want to put our rates up on April 15th from Georgia and have the Arkansas rates go in on the 30th.

The Chairman: I understand Mr. Boatright's question to refer to the lines east of the river, including your road, as to whether they made an effort to induce the lines west of the river to advance their rates.

Mr. Green: Speaking for the Southern railway, I will say no.

Mr. Boatright: If speaking for the others, Mr. Green, what would you say?

Mr. Green: I don't know that.

Commissioner Prouty: You could not advance your rate unless the Arkansas rate was advanced?

Mr. Green: No, sir. We could do it, but probably would not.

Commissioner Prouty: Mr Culp said your rate was made to meet the Arkansas competition and must be the same as the Arkansas rate.

Mr. Green: Yes, sir.

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Commissioner Prouty: Then why do you say you never made any attempt, although you were present at these conferences, to secure an advance in the Arkansas rate?

Mr. Green: I was not present at any of the conferences referred to.

Commissioner Prouty: I am talking about your line.

Mr. Green: Our company was represented. While we did discuss the question with the Arkansas line as to the feasibility and practicability of making an advance, we did not urge upon them to make the advance so far as I know.

617 Commissioner Prouty: You simply told them that you would if they did.

Mr. Green: Yes, sir.

Mr. Boatright: On the occasion of these conferences who represented the Southern Railway Company?

Mr. Green: I think at the St. Augustine meeting Mr. Powell, Mr. Niel and Mr. McClang were all present. Who attended the New Orleans and St. Louis meeting for our company I do not now recall, but one or the other of those gentlemen.

Mr. Boatright: Did you or any other officer within your knowledge instruct those representatives as to what action they should take in reference to this increase in the lumber rate?

Mr. Green: I did not.

Mr. Boatright: Have you information as to whether or not such instructions were given? If so, what is that information?

Mr. Green: Instructions were given by Mr. Powell I think, or Mr. Niel, to bring about an advance if it was found practicable.

Mr. Boatright: Among your statements with respect to

618 lumber yesterday you mentioned a number of cars that moved to various lake ports, enumerating Chicago, Pullman, Detroit, Cleveland and possibly others. What is the character of the lumber which is handled from Georgia territory to those points, and for what purpose is it generally used?

Mr. Green: I should say the bulk of it is car sills to those particular points.

Mr. Boatright: Will white pine or other northern pines answer the purpose for making car sills out of, generally as well as yellow pine?

Mr. Green: I think not.

Mr. Boatright: Then perhaps had there been competition with those woods these cars could not have moved there?

Mr. Green: Well, there were shipments of other kinds of lumber to those points.

Mr. Boatright: In your Exhibit "G" put in yesterday, Mr. Green, you refer to 44 cars out of six hundred-odd, and I believe you stated that you were able to place those 44 from the initial point to destination and ascertain the freights paid and the price f. o. b. at

619 the mill. Can you say positively that these are the prices

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received by the millmen, or is it not more probable that they are the prices paid to the broker or middlemen?

Mr. Green: I can only say that those prices were given us by the consignees as representing the prices they paid f. o. b. at the mills.

Mr. Boatright: Is it not a fact that the bulk of this business is handled through brokers or commission men and that orders are not placed directly with the mill except possibly a few larger ones?

Mr. Green: That is perhaps generally true.

Mr. Boatright: Would it not probably be true of these figures here—that these prices represent the amount paid by the consignee, but not necessarily the amount received by the millmen?

Mr. Green: If it were true that those sales were made through a broker I presume that would include the broker's commission.

Mr. Boatright: None of these cars indicate who shipped them. They show the point from which they were shipped?

620 Mr. Green: That was difficult to obtain, because in the waybills more frequently than otherwise reference was made only to initials and we could not tell about it as a great deal of it came from connections and we could not tell the names of the consignors.

Mr. Boatright: Is it not a fact that in shipments of lumber, where the transaction is handled by a broker, that the bill of lading is taken out by the millman in the broker's name and the broker becomes the shipper from that initial point, and the price paid at destination would be the price paid the broker rather than the millman?

Mr. Green: I don't know.

Mr. Boatright: Well, it would be in such a case as that, would it not, if the broker made the shipment?

Mr. Green: I presume so.

Mr. Boatright: In such a case as that?

Mr. Green: I presume so.

621 Mr. Boatright: There has been testimony here in regard to a *per diem* charge on flat cars. Can you state whether or not the Southern railway has more of its flats on other lines than it has flats of other lines on its line, or what proportion one bears to the other.

Mr. Green: I cannot.

Mr. Boatright: If the number were approximately equal in each case, the *per diem* would not be of consequence, would it?

Mr. Green: It would equalize, of course.

Mr. Boatright: Has not the *per diem* system been found more profitable to the lines owning cars than the mileage system?

Mr. Green: Nearly all the lines own cars.

Mr. Boatright: I mean owning them in large quantities as compared with those roads with whom they do business.

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Mr. Green: I really cannot say as to that point except with respect to the Southern railway alone.

Mr. Boatright: In your testimony yesterday you gave an illustration of a number of articles in which the cost of transportation was greater than the value of the article at the point of
622 shipment. Do you recall anything to illustrate that idea in which there has been as much expense in labor and manufacture as in the case of lumber?

Mr. Green: I cannot say that I do, nor can I recall anything of as much value as lumber. It is only on low-priced articles, such as I named, that that will occur.

Mr. Boatright: You read into the record yesterday rules 12 and 13 of the Master Car Builders' Association, in which one of the provisions is that stakes or standards must be 4 by 5 inches. Is it not a fact that those standards generally have to be trimmed at the bottom and fit pockets, so that they are 3 by 3, and sometimes less?

Mr. Green: The rules provide that the standards shall be tapered at the ends and fit the pockets. To what extent that is done, I do not know.

Mr. Boatright: Do you know what size the sockets generally are?

Mr. Green: No, sir.

Mr. Boatright: Do you know whether they are invariably the same size?

Mr. Green: I do not.

623 Mr. Boatright: Could you say it is not a fact that they sometimes vary on the same car?

Mr. Green: I could not.

Mr. Boatright: A 4-by-5 standard trimmed to 3 by 3 to fit a pocket would not be stronger at any point than at the 3-by-3 point, would it?

Mr. Green: I think not.

Mr. Boatright: Are you familiar with the strictness with which this western loading rule is enforced, Mr. Green?

Mr. Green: I think it is quite rigidly enforced as to this western traffic.

Mr. Boatright: Is it a fact that one of the usual tests of a car inspector to find whether the standard fits the socket is to see if he can insert a knife blade of an ordinary pocket knife, and if he can, to reject the car?

Mr. Green: I do not know.

Mr. Boatright: In regard to the excess in the rates on lumber on flat cars that once prevailed over that in box cars, was that difference ever made in regard to anything else than lumber; that is, was there ever a time when railroads charged more for hauling
624 other articles on flat cars than they did in box cars?

Mr. Green: Not to my knowledge.

Mr. Boatright: In reference to the weight of equipment and the

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freight actually paid on the same, what would you regard from a South Georgia point as an average rate to a western point? What is about a minimum rate to a point to which lumber moves?

Mr. Green: Of course, the minimum rate is to Cairo, speaking of that territory.

Mr. Boatright: That would be 21. What is a maximum rate?

Mr. Green: Sixteen cents.

Mr. Boatright: That is to Cairo proper it is 21 cents. Take your rate of 20 cents—what is your maximum rate to Ohio, Indiana, Illinois and New York and Pennsylvania points—about 31 or 33 cents, is it not?

Mr. Green: Yes. Are you speaking now merely of this particular territory?

Mr. Boatright: I am trying to find the average freight paid by a South Georgia millman for the equipment he puts on a car.

Mr. Green: Going to this territory alone?

Mr. Boatright: Going to this western territory? What is a minimum rate?

Mr. Green: I should say from observation that the average rate would approximate 25 cents.

Mr. Boatright: If 20 is a minimum and 33 a maximum, 26½ would be an average, would it not?

Mr. Green: I am talking about what the average is that is paid. I should say something less than 25 cents.

Mr. Boatright: If this equipment should weigh 1,000 pounds, the average rate on it would be $2.50, would it not?

Mr. Green: To that territory, yes, if that estimate is correct.

Mr. Boatright: In your testimony yesterday you stated that the average distance from Arkansas, Texas and Louisiana points to Cairo was 479 miles while from Georgia points to Cairo the average distance was 695 miles. Why did you take the distance from Georgia points to Cairo to make that comparison, Mr. Green?

Mr. Green: As compared with Arkansas?

Mr. Boatright: Yes, sir.

Mr. Green: Cairo is really the pivotal point.

Mr. Boatright: Does your line haul lumber from Georgia through Cairo as a rule?

Mr. Green: Not so much as through the other upper river crossings.

Mr. Boatright: I do not mean so much as Cincinnati.

Mr. Green: Still Cairo is the basing point.

Mr. Boatright: It is used in making the rate, but has that anything to do with the movement of the freight?

Mr. Green: No, sir; the rate made on Cairo applies on Cincinnati as well.

Mr. Boatright: Can you say what the average distance from these Georgia points to Cincinnati or Evansville is?

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Mr. Green: I have not that worked out.

Mr. Boatright: Would not that give a fair comparison?

Mr. Green: You mean with Arkansas?

Mr. Boatright: You say that the distance from Arkansas, Texas and Louisiana, the average distance from those points, to Cairo is 479 miles. Now, I assume that the business from that territory does move through Cairo. That that is the actual route of travel. Now, it is not, I think it may be assumed, the usual route of travel for a car of lumber from Georgia to this section of territory. In rare instances it may be.

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Mr. Green: It is for much of it.

Mr. Boatright: If it is, it is the choice of the roads for their own convenience to take it the longer way around?

Mr. Green: Much of it is routed by the shippers.

Mr. Boatright: Would not Evansville or Cincinnati, whichever offers the shorter distance, or the one through which the bulk of the business passes offer a fairer comparison than figuring from Georgia through Cairo?

Mr. Green: Not unless you took the net rate to Cincinnati and Louisville and Evansville, which the lines south of those gateways earn in equalizing through Cairo as a basis to make the comparison in rates. Now, the average distance from Georgia to the four Ohio River crossings is greater than the average distance from either Arkansas or Mississippi to those crossings.

Com'r Prouty: Do the lines north of the Ohio river always exact their full local north of the Ohio?

Mr. Green: Invariably.

Com'r Prouty: No matter whether they receive it at Cincinnati, Evansville or Cairo?

628

Mr. Green: Invariably.

Mr. Boatright: When you figure the rate per ton per mile, you take the actual miles hauled and not some rate-making line?

Mr. Green: It depends. If I am making a comparison from the tariffs per ton per mile, I will probably use the short-line distance. If I were figuring what my revenue was, I would use the route actually traversed.

Mr. Boatright: If a line were ascertaining the rate per ton per mile on the lumber handled, it would not figure the mileage to Cairo for that lumber that moved through Evansville, Louisville and Cincinnati?

Mr. Green: Certainly not. You mean the rate per ton per mile earned by us?

Mr. Boatright: Yes, sir.

Mr. Green: I stated that it would be by the line actually traversed. The actual amount of our haul.

Mr. Boatright: Can you say whether or not the rates north of the

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river by the various lines and from the various gateways, are on a mileage basis, or relatively so?

Mr. Green: You mean the lumber rates?

Mr. Boatright: The lumber rates; yes, sir.

629 Mr. Green: I think not. I am not familiar with the basis for making those rates.

Mr. Boatright: Referring again to your Exhibit G, you stated awhile ago that an average rate from Georgia to that section of territory was 25 cents. Assuming that to be a fair estimate, what does that represent per thousand feet of lumber, rough, 4,500 pounds, that lumber must actually pay?

Mr. Green: It represents $11.25 on that basis.

Mr. Boatright: Referring to your Exhibit F, in the first item, Mr. Green, you take the distance of 656 miles from Tifton, Georgia, to Cairo, Illinois, rate 21 cents. Do you know of any lumber having moved between Tifton and Cairo, proper, Mr. Green?

Mr. Green: I do not.

Mr. Boatright: That is rather a paper rate than a natural rate is it not—rather for record than otherwise?

Mr. Green: There must be some movement to Cairo, though I do not know it. Cairo is a lumber market and there is a good deal of lumber handled there, but I do not know of any particular movement.

Mr. Boatright: Would it be possible for south Georgia to
630 sell lumber at Cairo at 21 cents when Mississippi has a rate of 16 cents?

Mr. Green: I do not know. I should say not.

Mr. Boatright: Now, then, the third item reads, 668 miles from Spokane, Washington, to Glasgow, Montana, 38 cents. Can you conceive of lumber moving from Spokane, Washington, to Glasgow, Montana?

Mr. Green: I can conceive of it. I do not know of lumber moving anywhere in that territory.

Mr. Boatright: You cannot say that that is not a mere paper rate for record only?

Mr. Green: None of them are published for record only, so far as I know. We publish them to move business on.

Mr. Boatright: Is that the reason you published the rate from Tifton to Cairo?

Mr. Green: Yes, sir.

Mr. Boatright: Yet you cannot say that any moves.

Mr. Green: I cannot.

Mr. Boatright: Yet with the difference between Georgia and Mississippi points it seems impossible almost.

Mr. Green: I should say it would be difficult anyhow.

631 Mr. Boatright: Another item reads, 682 miles from Heartpine, Georgia, to Cairo, Illinois, 21 cents, compared with 682

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miles from Portland, Oregon, to Sacramento, California, 25 cents, with a notation, "There is water competition between Portland and Sacramento." Do you think it probable that any lumber moves on either one of those rates?

Mr. Green: I should think it probable that there is a movement from Portland to Sacramento. I do not know. These rates were selected at random with the particular purpose of getting a set of rates in other parts of the country for corresponding distances, and they fairly illustrate the general adjustment. If you want to cut out Cairo and Spokane and take some other points, the results would be about the same.

Mr. Boatright: Would it not have been possible to take these same tariffs and prove a directly opposite conclusion by being careful in the selection?

Mr. Green: Of course, you can find some points north of the Ohio river where the rate for a certain distance is less than the rate for a certain distance down here, but that is not generally true. You will find that in any tariff.

632 Com'r Prouty: Did you look at the rates from Michigan to New York, for instance?

Mr. Green: No, sir; we show none of those. As to these rates in that western territory, I got them from Mr. Smith, the auditor.

The Chairman: Did they include any rates from lumber-producing points on the Chesapeake & Ohio and Norfolk & Western in West Virginia to New York and other north Atlantic points?

Mr. Green: No, sir; I took points in Georgia to points north of the Ohio river as compared with rates to points in that section from other sections of the country.

Mr. Boatright: Is not the lumber produced in these western sections enumerated in Exhibit F very much lighter than Georgia pine and would not that reduce the apparent difference in rates very much, and if so, about how much?

Com'r Prouty: You mean per thousand feet?

Mr. Boatright: Per thousand feet.

Mr. Green: How much lighter the average weight of this lumber is compared with the average weight of yellow pine, I am unable to state. I would not say from what knowledge I have that

633 the difference is very great.

Mr. Boatright: You are not familiar with the rates on western pines, firs and other similar woods, are you?

Mr. Green: I know that the rate on what is called Pacific Coast fir from producing points in Oregon to this Central Freight Association territory, ranges from 50 cents to 62½ cents, the rate to Chicago being 50 cents and the rate to Pittsburg being 62½ cents. Those rates are, I believe, 10 cents per hundred pounds lower than the rates on other kinds of lumber from that same territory.

Mr. Boatright: On this sheet you use 21 cents from Tifton to Cairo,

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as an illustration, where we contend that little or no business moves. Why would it not have been a fairer comparison to have used Cincinnati, a much nearer point, with a 24-cent rate?

Mr. Green: Even then the rate would be 14 cents less than from Spokane to Glasgow.

Mr. Boatright: Why did you exaggerate it by using a place where little business moves and omit a place where a great deal moves?

Mr. Green: I believe I have already explained how we made this statement.

634 Mr. Boatright: Is it possible that between these far western points you have named and the destinations given that there is a regular and continuous movement of lumber from year to year, such as exists between Georgia points and these central western points?

Mr. Green: I do not know how it will compare in volume of course. I have no doubt there is a movement of lumber. The rates are published and we do not usually publish rates on lumber unless some moves. Going back to that Cairo comparison which you have referred to several times, here is a rate from Tifton, Georgia, to Terre Haute, Indiana, 749 miles, compared with the rate from Denver, Colorado, to Bowie, Texas, 715 miles, and from Everett, Washington, to Shelby Junction, Montana. There is a rate from Tifton, Georgia, of 25 cents, from Denver of 46 cents and from Everett of 35 cents, and so on.

Mr. Boatright: Is it probable that between those western points there is any considerable movement? Would it not be fairer to compare them with hard woods from Cincinnati to Tifton, where there is just an occasional movement?

Mr. Green: I do not think that comparison would be pertinent at all.

635 Mr. Boatright: If the movements are similar, it would, would it not?

Mr. Green: No, not necessarily. The conditions of the movement might have been entirely different. We are comparing your rates on lumber from points in Georgia into a certain territory with rates from other points to the same territory. While there may be some points from which there is no movement, it fairly illustrates it from points contiguous where there might be a movement.

Com'r Prouty: What is the rate from Cincinnati to Tifton?

Mr. Green: I do not know that there is really a rate in from Cincinnati to Tifton. I do not think there is. If there is, it is probably to take care of some high-priced stuff. I never heard of a movement of that kind.

Mr. Boatright: Referring to your Exhibit H in reference to the movement of coal from Birmingham to 12 points named—the Southern railway reaches Birmingham, does it not?

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Mr. Green: Yes, sir.

Mr. Boatright: The Southern railway reaches all of these 12 destinations, does it not?

Mr. Green: Yes, sir.

636 Mr. Boatright: The Southern railway, then, gets the entire haul under these rates?

Mr. Green: Yes, sir.

Mr. Boatright: Do you think that that makes a fair comparison with lumber which the Southern railway neither originates nor delivers?

Mr. Green: It was not intended to show by that statement that the rates per ton per mile on coal were a proper or fair basis on which to determine the rates on lumber. It was merely intended to show that the rates per ton per mile on coal actually moved on the Southern railway are higher and not lower, as has been claimed, than the rates per ton per mile on lumber. There is no reason that I can conceive why a rate on coal should be used to determine a rate on lumber, or whether a rate on lumber is reasonable. Coal does not move as long distances as lumber and does not come into competition with lumber. It is largely used for steam purposes to produce other traffic, and there are good commercial reasons why the rates on coal should be less relatively than on lumber.

Mr. Boatright: Well, if the comparisons had been on a similar basis, it would have been shown that they are very much

637 less, would it not?

Mr. Green: There are no such things as rates on coal from Birmingham to points north of the Ohio river——

Mr. Boatright: Take the same number of miles, local haul, on the Southern railway on coal and lumber, would it not show a greater rate per ton per mile, very much greater on lumber than on coal?

Mr. Green: On lumber than on coal, yes, sir; certainly. I would no more think of making a coal rate on lumber than I would of making the rate on neckties on a pig-iron basis.

Mr. Boatright: Referring to your Exhibit J, I find: Miles, 688, rate 16, from Lumber City to Cairo. Is that rate of 16 cents actually into Cairo proper from your Group 1 stations, or is that the proportional of a through rate?

Mr. Green: It applies both to Cairo proper and beyond.

Mr. Boatright: How is it from the immediate connections that the rate is 21 cents to Cairo proper?

Mr. Green: They make a difference between the Cairo-proper rate and the Cairo-for-beyond rate and the Southern railway does not.

638 Mr. Boatright: Is that 16 cents fairly illustrative of a South Georgia rate under the circumstances?

Mr. Green: It is. Do you mean as to general rates from south Georgia?

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Mr. Boatright: As to the general rates.
Mr. Green: It is as to the Southern railway, certainly.
Mr. Boatright: But as to the Southern railway only?
Mr. Green: That is all we show, rates from Southern Railway points.
Mr. Boatright: It would be very misleading if assumed to have general application, would it not?
Mr. Green: I think not. You can take the rates from the other points, increasing the distances, and find the rates for corresponding distances north of the river and you will find very much the same result as is shown in this statement.
Mr. Boatright: In this sheet you give comparisons of the white-pine territory. Are you familiar with the differences in weight per thousand feet of lumber moving from this Michigan and Wisconsin territory and that moving from Georgia territory?
639 Mr. Green: I cannot say I am personally familiar with it, but the information I have obtained by inquiry leads me to believe that the average weight of white pine approximates 3,000 pounds per thousand feet.
Mr. Boatright: As against 4,500 pounds for yellow pine?
Mr. Green: The maximum; yes sir.
Mr. Boatright: The maximum in each case?
Mr. Green: I said the average on white pine.
Mr. Boatright: What would be the average on yellow pine?
Mr. Green: Including flooring and ceiling, I should say about 3,300 pounds.
Mr. Boatright: You think there is not over 300 pounds difference in weight between the yellow pine and white pine?
Mr. Green: I am not prepared to say that as to the movement into that territory.
Mr. Boatright: Referring to your Exhibit K, "Comparative statement of rates on fir lumber from Pacific Coast points and pine lumber from South Georgia points to representative points on the Ohio river and beyond," can you give the distance from the Pacific Coast point, the average distance, to Chicago?
640 Mr. Green: I cannot. I cannot state it certainly. My recollection is that it is about 2,418 miles from, say, Seattle to Chicago.
Mr. Boatright: Are you familiar with the rate per ton per mile received by the carriers on that business?
Mr. Green: I have calculated it. I do not recall what it is.
Mr. Boatright: Is it greater or less than that received by the carriers of yellow-pine lumber? I do not refer to the Southern especially, but the average rate per ton per mile received from the initial point to the point of destination.
Mr. Green: I cannot say that it is greater or less than the average

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rate received. Of course, I do not know what the average rate received by other lines is.

Mr. Boatright: You know what the total rates are?

Mr. Green: I would say, that, based on the total rates, the rate on lumber from Pacific Coast points to that territory per ton per mile is less and naturally less than from Georgia, but the actual rates are invariably higher and much higher.

Mr. Boatright: Are not the woods very much lighter?

641 Mr. Green: Not very much lighter, but somewhat lighter.

The Chairman: In that connection, did I not understand you to make the general claim yesterday, Mr. Green, that these rates from this Georgia territory to destinations north of the Ohio river—I mean, not the rates received by your road, but the total rates paid by the shipper—are, broadly speaking, the lowest lumber rates you know of in the United States, having reference to distance, volume of traffic and other conditions of similarity?

Mr. Green: I did not in connection with that statement refer to these Pacific Coast rates on fir.

The Chairman: You excepted those? With that exception you wish to be understood as affirming the relative lesser amount of these rates?

Mr. Green: Speaking generally, I will say that the rates on yellow-pine lumber from the South to this particular territory are as low as, or lower than rates for corresponding distances between other points in the United States under similar circumstances. Of course, there are conditions like water competition which frequently cause a rate to be reduced by rail to an abnormally low basis.

Com'r Clements: Between what other points in the United

642 States is there such a movement as that between Georgia and the West, or between the South and the West?

Mr. Green: Well, there is none, of course, except from the other pine-producing States that is exactly similar.

Com'r Prouty: Are you talking about your divisions to the Ohio River crossings or the through rates?

Mr. Green: I am speaking of both. These comparisons I have made include rates from points in Georgia to points north of the Ohio river compared with other rates to that territory.

Mr. Boatright: Are you familiar with the distance from Portland, Oregon, to St. Paul, Minnesota, approximately?

Mr. Green: I am not; no, sir.

Mr. Boatright: Is it not about 2,000 miles?

Mr. Green: I should say it was probably all of that.

Mr. Boatright: And is not the rate on lumber between those two points 40 cents per hundred pounds?

Mr. Green: I think possibly it is on fir lumber. I do not know whether they carry that rate as far east as St. Paul or not.

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Mr. Boatright: From Georgia points to Pittsburg the distance is about how great—is it not about 800 miles?

643 Mr. Green: Well, I should say it is more than that.

Mr. Boatright: Well, is not the rate 34 cents and 35 cents and in some instances as high as 36 cents from this territory in south Georgia and Florida?

Mr. Green: I stated that we published from what we call our Group 3 and what is otherwise known as Group 1, a rate of 33 cents to Pittsburg.

Mr. Boatright: Is not one of the results of the southeastern lines basing on Cairo to increase all of the rates in those States, or many of them, as compared with the results that these roads base on Cincinnati or Evansville or Louisville, points through which the business actually moves?

Mr. Green: I do not understand that question.

Mr. Boatright: Your line from Group 1 uses 16 cents to Cairo and takes the local from there, possibly, over to Columbus, Ohio. Now, the local from Cincinnati to Columbus is not as much as from Cairo to Columbus, is it?

Mr. Green: That is true.

Mr. Boatright: If these rates were being equalized through the gateways through which the business actually moves and

644 this 16 cents was made to Cincinnati, it would reduce the Cairo rate to the Georgia shipper—I mean the Columbus rate.

Mr. Green: If you took it to Cincinnati, Ohio, and used that as a basis for constructing a through rate to Columbus—if you took the proportion the carrier would earn in equalizing the Cairo combination and added to that proportion the arbitrary from Cincinnati to Columbus, it would, of course, make a lower rate.

Mr. Boatright: Why should not that be done? What is the objection to that system of making rates?

Mr. Green: It is not necessary.

Mr. Boatright: Why not? Can you get the business without it?

Mr. Green: Your rate to Cairo was first made to meet the competition from Arkansas. Now, that competition from Arkansas is not as forcible at Cincinnati as at Cairo. The Arkansas lines do not cut the through rates from there on the Cincinnati combination.

Mr. Boatright: Does not Arkansas now get into Cincinnati on the same rate your Group 1 mills do and less than all other groups?

Mr. Green: I believe from a portion of Arkansas the rate

645 is the same.

Mr. Boatright: And from all of the producing section of Mississippi?

Mr. Green: It is the same to Cincinnati.

Mr. Boatright: As your Group 1?

Mr. Green: Yes, sir.

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Mr. Boatright: Referring to your Exhibit M, "Statement of pine lumber purchased from mills named below in south Georgia for the calendar year 1902 and four months, to April 30, 1903." In this statement you show an average increase of 50 cents per thousand feet. Can you say whether or not more of this lumber was bought in the latter period from points located off your line than in the former period?

Mr. Green: That statement itself shows exactly where it was bought.

Mr. Boatright: The statement itself, shows, does it not, that in 1902, you bought at Pendarvis, Georgia, on your own line $14,922.60 worth of lumber and in 1903 you did not buy any from that mill.

Mr. Green: That is true. It also shows that we bought in 1903 at Eastman, Georgia, $859.72 worth of lumber and in 1902 we did not buy any. It also shows in another case we bought in
616 1903 at Eastman, Georgia, $242.89 worth of lumber and in 1902 we did not buy any. It also shows another case as to Eastman, Georgia, where you have a comparison between the year before and last year. In that case we purchased more in the latter year than we did in the former. In other words, it is an actual showing.

Mr. Boatright: Those differences where you show the purchases were made on your own line in 1903 and no corresponding purchases in 1902, are very small and do not furnish an offset to the Pendarvis purchase which I referred to, do they?

Mr. Green: No, sir; they do not.

Mr. Boatright: Don't you pay about $2.50 more per thousand feet on an average for your lumber when bought from points not located on your line as compared with that which you are able to buy from points located on your line?

Mr. Green: I do not know what the average extra cost is to us of lumber purchased on other lines as compared with that purchased on our line.

Mr. Boatright: It would be approximately equal to the freight to be paid on it, would it not?

647 Mr. Green: I do not know whether that has ever been worked out, but I would say, from what knowledge I have, that it would not be anything like as much as $2.50 for a thousand feet, and these prices are not based on lumber purchased on other lines, including the freight charge, but are based on the prices we paid for the lumber at the mills.

Mr. Boatright: Do you not generally buy your lumber f. o. b. your own line?

Mr. Green: I think we frequently do. Whether we generally do, I cannot say. That fact has no bearing on this statement.

Mr. Boatright: Can you buy lumber as cheaply, located at dif-

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ferent points and have it pay local freight as you can from mills on your line?

Mr. Green: Considering the price at the mills we might. Of course, it costs the company extra if it has to be hauled over some other line.

Mr. Boatright: Referring to your Exhibit N, "Average cost of yellow-pine lumber purchased by Southern Railway Company for calendar years indicated," has not the character of the lumber 648 demanded by the Southern railway, the quality, improved very much in the more recent years? Do you not require better lumber and a closer inspection than you did in 1898 and 1899?

Mr. Green: I think that is true as to car sills and bridge timber, but as to ordinary lumber for framing, car decking and siding, we purchase now the same kind of material as formerly; in fact, I think some of it is inferior.

Mr. Boatright: You purchase larger sills for bridge-building and like construction, do you not?

Mr. Green: Yes, sir.

Mr. Boatright: That demand, I might say, is constantly increasing, that they be better and better every year—you are making your structures stronger?

Mr. Green: I do not know that our exactions in that respect are changing every year, but they are, of course, now more rigid than in former years. It should be borne in mind as to that statement that the largest increases are in those grades of lumber which are not affected by any inspecting rules.

Mr. Boatright: Referring to Exhibit O, "Chicago market 649 long-leaf yellow-pine lumber in dollars and cents per thousand feet." What is the authority for these figures?

Mr. Green: As I stated yesterday, the "American Lumberman," published in Chicago.

Mr. Boatright: Do you understand that these figures are compiled from actual sales and purchases?

Mr. Green: They are compiled from the daily and weekly market of quotations as published in that lumber trade journal.

Mr. Boatright: May not they be something like the list prices of the Georgia Saw Mill Association. What they would like to get, rather than what they do get?

Mr. Green: I do not know what the list prices of the Georgia Saw Mill Association may represent, but upon its face I should say it represented the prices the Georgia Saw Mill Association charged for lumber, and that is certainly a guide as to what the Chicago market is.

Mr. Boatright: You would not treat it as more than a guide?

Mr. Green: That is all it is intended to be treated as.

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Mr. Boatright: These prices would include brokerage, or
650 other middlemen's profits, would they not?

Mr. Green: I do not know about that.

Mr. Boatright: They would not represent all the accumulated expenses up to Chicago?

Mr. Green: Yes, sir; they would certainly include the freight rates. Whatever expense there is in getting it there must be included in the price.

Mr. Boatright: Referring to your Exhibit P, "Statement based upon official records of Southern Railway Company, showing increase in the expenditures upon items of lumber, fuel for locomotives, wages of employees," etc., referring to lumber you show that in 1900 the increased expenditures over the year 1899 were 84 per cent. How do you explain that, Mr. Green? What caused such an enormous increase that year?

Mr. Green: It was partly due to an increased quantity of lumber and partly due to the increased price of it.

Mr. Boatright: In making these calculations, is a constantly increasing mileage taken into account, or is it based upon a certain mileage that existed in 1898?

Mr. Green: That would have absolutely no bearing upon
651 the question of what this lumber cost us. Of course, we purchased more lumber for a greater mileage than we did for a smaller mileage, but that does not affect the cost per thousand feet.

Mr. Boatright: I do not see that there is anything about a thousand feet in this comparison?

Mr. Green: Well, it does not affect the cost at all.

Mr. Boatright: You show that lumber cost you 84 per cent. more in 1900 than in 1899.

Mr. Green: That does not mean that the price was 84 per cent. greater. It shows that we purchased 10,000,000 feet more in 1900 than in 1899, and in 1901 we purchased nine million more than in 1900. In 1902 we purchased about a million more feet than in 1901 and the increased cost is the increase in the total cost. I have shown separately the increase in the price of the lumber. This was designed to show what the increase in the operating expenses of the Southern railway for the year 1902 meant. That was estimated at the time at $127,000. It could, of course, be reduced to exact figures now, since our accounts for the year were made up.

Mr. Boatright: During the period here referred to, from
652 1898 to 1902, is it not a fact that the Southern railway has been at frequent intervals taking on other railway properties and operating them as the Southern railway?

Mr. Green: Yes, sir.

Mr. Boatright: Have those properties usually when taken been pretty thoroughly run down and dilapidated?

Mr. Green: Some of them have.

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Mr. Boatright: And the expense of repairing them and putting them into condition for business largely charged to operation?

Mr. Green: It probably has. That has no bearing on this statement. The increase here, namely, $127,000, is based purely on the difference in price per thousand feet.

Mr. Boatright: Would it not have some bearing on the percentage of increase?

Mr. Green: Certainly, as to the quantity of lumber purchased. I stated that right along.

Mr. Boatright: I was trying to account for the constantly increasing expense of the Southern railway.

Mr. Green: It is due, as I stated, so far as cost of lumber is concerned, partly to the increased amount of lumber purchased and partly to the increased price of it. This $127,000 is due entirely to the increase of price.

Mr. Boatright: Referring to your Exhibit Q, "Statement showing the average earnings and expenses, interest and rentals," etc., I note, Mr. Green, that a continuous increase in net balance per mile is shown until 1902 as compared with 1901, which shows a falling off of about $49 per mile. Now, then, figuring the fiscal year up to March 31st, you show a similar decrease. This latter decrease did not influence the increase of the lumber rate in anywise, did it?

Mr. Green: Well, I do not think we considered what the net balance per mile was when we thought about putting up the lumber rate. We put up the lumber rate because we thought general conditions warranted it. Our expenses as a whole were increasing in greater ratio. It was simply a question of increasing our rate or having our net earnings rapidly diminished.

Mr. Boatright: The nine months ending March 31, would be leaving out three of the better months in railroading, would it not?

Mr. Green: Meaning April, May and June?

Mr. Boatright: April, May and June.

Mr. Green: Well, no. That includes the best part of the year.

Mr. Boatright: Have you information as to what the last quarter showed?

Mr. Green: Our annual report would show that.

Mr. Boatright: That is to be furnished?

Mr. Green: Yes, sir. That statement was prepared for the hearing in Macon, so far as we could give the information at that time.

Mr. Boatright: This statement shows that the gross earnings are increasing and that the earnings less operating expenses are constantly increasing. How do you account for this decreasing increase on a percentage basis, as you referred to it yesterday?

Mr. Green: Because your increase in operating expenses is in greater ratio than the increase in gross earnings.

Mr. Boatright: But it seems that regardless of this percentage

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feature, you are making more money every year than the year before?

655 Mr. Green: That is true up to that time, but as shown in my testimony yesterday, for the period of 8 months from July, 1902, to February, 1903, which was as far as I could go at that time, the net earnings decreased $77,000. Take the nine months of 1902 and the nine months of 1903, the gross earnings for the first period were $4,219.54, while for the corresponding period in 1903, there is a gain of $318.32. Now, the expenses did not increase that much.

Mr. Boatright: They must have or there could not be shown that result. Your earnings less operating expenses and taxes for this second period are slightly greater than for the first period.

Mr. Green: Yes, sir.

Mr. Boatright: Now, then, what you intend to illustrate by this is that the percentage the operating expenses bears to the gross earnings is increasing?

Mr. Green: Not by that statement.

Mr. Boatright: But that is a fact.

Mr. Green: That is shown in another statement. That shows that in spite of the largely increased earnings, there is less left the stockholders than before—less money per mile.

656 Mr. Boatright: Could not that be accounted for by buying these run-down properties and improving and rehabilitating them?

Mr. Green: No, sir.

Mr. Boatright: Why not?

Mr. Green: Because the difference in expenses has not been due to those things. Those properties take care of themselves.

Mr. Boatright: Not when operated as the Southern railway?

Mr. Green: They bring additional earnings to the Southern railway.

Mr. Boatright: Not in the same proportion as the Southern railway already established and built up:

Mr. Green: Not in the same proportion as some parts of it.

Com'r Prouty: You will probably have to get the auditor before you find out the reason for that. It might be an increase in the funded debt, or an increase of rentals or other things. That statement shows that their net earnings from operations have increased all the time, but what remains as net balance has decreased

657 this last year.

Mr. Boatright: Is it not a fact that the Southern railway is becoming a more valuable property every day, due to improvements and betterments?

Mr. Green: I should say yes; not only due to that but due to the development of the country.

Mr. Boatright: Do you think it would be right that the shippers should be called upon to make good these improvements all the time

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from year to year and that the stockholders should own all of that when the operation is through with without having contributed anything of their own?

Mr. Green: I think it would be much wiser for a railroad when it can to build up its line from its earnings and likewise much better for the public than for that railroad to build up its line by increases in its stock and bonds, thus creating a perpetual tax upon the public.

Mr. Boatright: Referring to your Exhibit T, Mr. Green, I note that you show here that for flooring and ceiling in 1899 the Southern railway paid $10.02 and in 1893 $16.24, a difference of $6.22, or 62 per cent. Do you think those figures can be correct and refer
658 to the same class of ceiling in the one year as in the other?

Mr. Green: Well, sir, they are furnished me by our auditor, and come from the timber agent who purchases the material. They are based upon our official records.

Mr. Boatright: Are you familiar with the prices on this flooring and ceiling for the intermediate years between 1899 and 1903?

Mr. Green: Personally, no, sir.

Mr. Boatright: You cannot say of your own knowledge that these figures are correct?

Mr. Green: I believe them to be correct.

Mr. Boatright: Or that they represent the same grade of lumber?

Mr. Green: Yes, sir.

Mr. Boatright: Do you mean to say that the prices were paid but that they probably represent different grades of lumber?

Mr. Green: They represent the same character of lumber as purchased in previous years.

Mr. Boatright: The Southern railway buys practically the same grades of flooring and ceiling that it bought in 1899?

659 Mr. Green: Yes, sir.

Mr. Boatright: Referring to your Exhibit U, showing the increased cost of locomotives and cars, will or will not a locomotive such as the Southern railway now uses last longer and perform service for a greater length of time than those bought in 1898, with which comparison is made?

Mr. Green: If put to exactly the same tests, I should say not. I do not know of any reason why it should last longer in doing the same service proportionally.

Mr. Boatright: Do the locomotives now consume as much fuel per horse-power as they did in 1898?

Mr. Green: You are getting out of my province now on questions of that kind.

Mr. Boatright: It seems rather logical from these figures here——

Mr. Green: That is merely a statement of the cost of the locomotives, not of the fuel or of the consumption of fuel.

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Mr. Boatright: You do not know whether they would consume less fuel relatively to their horse-power?

660 Mr. Green: I could not answer those questions.

Mr. Boatright: As to the probable life of cars, boxes, flats or gondolas, would those of the heavier capacity, such as are built now, last longer and perform service for a greater length of time than the lighter ones of thirty and forty thousand pounds capacity built in 1898 and previously?

Mr. Green: I do not see any reason why they should if put to the same service relatively, if we run them as hard and load them as heavily in proportion to capacity.

Mr. Boatright: Would automatic couplers and air brakes, do you think, add anything to the life of them as compared with the old link-and-pin coupling?

Mr. Green: Oh, yes; it decreases the amount of handling.

Mr. Boatright: Are you familiar with the average rates per ton per mile received by the various lumber-carrying roads in Georgia?

Mr. Green: I am not.

Mr. Boatright: I believe it has been testified to that the Southern railway received 9.3 mills.

Mr. Green: On what?

Mr. Boatright: On an average for everything.

661 Mr. Green: I believe the average earnings per ton per mile by the Southern railway for the fiscal year ending June 30, 1902, was 9.35; for the year ending June 30, 1903, it was 9.5.

Mr. Boatright: Are you familiar with that of other lines in the same territory?

Mr. Green: I cannot say that I am.

Mr. Boatright: That is all.

Com'r Clements: It has been stated here that in 1889 and 1890 and up to 1893 the rates from Georgia and Mississippi points were reduced finally to 13 cents, I believe. Is that your understanding of it?

Mr. Green: Yes, sir.

Com'r Clements: They had been previous to that what—as high as 16 cents?

Mr. Green: Certainly as high as 20 cents to Cairo; possibly more. I think back of the period we have gone, the rate to Cairo was perhaps more than 20 cents.

Com'r Clements: And went down as low as 13?

Mr. Green: Yes, sir.

Com'r Clements: And what was the Arkansas rate at that time?

662 Mr. Green: When the 13-cent rate was established?

Com'r Clements: Yes, sir.

Mr. Green: It was 13 cents also.

Com'r Clements: Had it been higher than that before? Had it also dropped?

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Mr. Green: I think the Arkansas rate of 13 cents had been in effect for several years. A history of that rate which Mr. J. M. Smith prepared for me and which was filed with these papers at the hearing in Macon——

Com'r Clements: Filed in this case?

Mr. Green: In the Macon case. It was a certified statement made by Mr. Smith.

Com'r Clements: Were the rates from Mississippi and Georgia brought down to 13 cents in order to meet that Arkansas rate?

Mr. Green: Yes, sir.

Com'r Clements: Then, when did they begin to go up from 13 cents?

Mr. Green: The first advance, I believe, was made in September 1899.

Com'r Clements: Did they all remain at 13 cents up to that time?

663 Mr. Green: All of Georgia did not remain at 13, no, sir. The rates from some of the Lower Georgia lines were increased to Cairo proper. Except as to the Southern railway, I do not think any of the Georgia lines made the rate to Cairo proper and beyond the same.

Com'r Clements: When did the Arkansas rate get above 13 cents?

Mr. Green: About the same time; about September 1st, or 8th, 1899. Our rates were advanced on September 8th. I am not certain whether theirs were made that figure on the same date or not.

Com'r Clements: These various increases made from time to time, were they made simultaneously from Arkansas, Georgia and Mississippi?

Mr. Green: Yes, sir. The history of the last advance, which became effective April 15, was that the rate from the whole yellow-pine producing territory was advanced April 15th. It was suspended from Georgia under the order of Judge Speare. That subsequently led to a reduction from Arkansas. In making restorations from Georgia and Arkansas, it was not done simultaneously.

664 I think Arkansas restored its rate about June 1st and we did not get ours till June 22d.

Com'r Clements: You were not present at any of these conferences in respect to the matter in the early part of the year that you referred to?

Mr. Green: None of the conferences between the carriers. The only conference I attended was one with the lumbermen in January.

Com'r Clements: That was after you gave notice of the increase?

Mr. Green: Yes, sir.

Com'r Clements: That conference was brought about by the protest or objection of the shippers?

Mr. Green: They requested the transportation lines to meet them and discuss the situation.

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Com'r Clements: You have said that among the reasons why you think these rates are reasonable, they were lower than by any other means of transportation, did you not?

Mr. Green: Yes, sir.

Com'r Clements: What other means of transportation had you in mind in making that comparison?

665 Mr. Green: Well, there could be no other means of transportation from points in Georgia to points in that territory unless it were wagon transportation.

Com'r Clements: You did not mean to include water, of course?

Mr. Green: No, sir.

Com'r Clements: There would be none other than wagon transportation?

Mr. Green: Of course, it could be taken to the coast and carried around, but it is hardly feasible.

Com'r Clements: But the rate by water, where the water reaches between the two points, would be lower than these rates?

Mr. Green: Yes, it would generally affect the railroads.

Com'r Clements: Do you think a team loaded with lumber on a wagon could get to the Georgia line and outside of the State on a haul to the Ohio river?

Mr. Green: Not very well.

Com'r Clements: The load would be consumed in expenses before it got out of the State, would it not?

Mr. Green: I think it would.

666 Com'r Clements: You do not think that that comparison is worth any more than making a rate on neck-ties based on the pig-iron rate, do you?

Mr. Green: I think in considering the reasonableness of a rate it is entirely proper to consider what other means might be employed. Of course, I realize that that illustration is rather far-fetched.

Com'r Clements: It would be of no more value than would the fact that there were no wagons?

Mr. Green: If you had no railroads, it would be the only means of getting there.

Com'r Clements: It would never get there, would it?

Mr. Green: I do not think so. It would depend on how badly they needed it.

Com'r Clements: That is all.

The Chairman: We will take a recess until 2 o'clock.

At 12:30 o'clock p. m. the Commission took a recess until 2 o'clock p. m.

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667 AFTER RECESS.

OCTOBER 29, 1903—2 p. m.

The Chairman: Gentlemen, it has become apparent that the case now before us will occupy all, or substantially all, of this week. Therefore the case of the Central Yellow Pine Association cannot be taken up at this session of the Commission. There is a possibility that we might—some of us at least—be here until Wednesday of next week, but upon consultation we are inclined to think the better course is to leave that case for hearing at some time to be hereafter fixed, which will probably be, as near as we can now say, the second week in December at New Orleans.

Mr. Miller: I would like to have an order given at some time in regard to the notice issued to the defendants to produce documents, etc. I have no doubt it will be all arranged between counsel, but in order to have it understood we think that order ought to be continued with directions to the defendants to make returns within some stated time so we may know when it is going to be produced, what is going to be produced and the terms upon which it will be produced.

668 The Chairman: Have counsel had a consultation?

Mr. Miller: We have not had an opportunity to get in detail what they have ready to furnish. However, I do not suppose there will be any occasion for the application of the order, because there will no doubt be an understanding reached about the matter.

Mr. Baxter: Let the order be continued.

Mr. Miller: We will not be disposed to undergo the expense of getting what they will not otherwise furnish, but we would like it to be understood what information is to be furnished and what is to be withheld and to have return made or responses made within some stated time. I believe we are going to be furnished with a statement by counsel this afternoon; the conference is not through yet. But an order should be made regarding this information, that it be returned within ten days.

Mr. Baxter: When we are finished with this case I will take up those paragraphs one by one and furnish as much of the information as can be furnished, and state the conditions as to the others, so that when counsel gets replies from each of the companies he can decide for himself whether he wants to pay for this or that or if he

669 takes the position that he is not required to pay for it, he can raise the question of whether or not he is obliged to do so.

The Chairman: And you would like that information, so far as it is to be furnished, before the New Orleans hearing occurs?

Mr. Miller: Yes, sir.

Mr. Baxter: I suggest that you give us until the 15th of November.

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Mr. Miller: That is all right.

The Chairman: It will be understood that so much of the information called for as the carriers will furnish is to be prepared and submitted on or before the 15th of November. Will you send that to the Commission or to Mr. Miller direct?

Mr. Baxter: As he prefers.

Mr. Miller: We will be obliged to you to send it to us.

The Chairman: Send it to Mr. Miller. It will be well to have the conference suggested. I rather anticipate that you will come to an understanding.

Mr. Miller: It is pretty well understood already, but we have not the details of it.

The Chairman: It is our present intention to hear the case in New Orleans the second week in December. The usual notice will be given. Mr. Green, you may resume the stand, please.

670 Mr. GREEN resumed the stand.

Mr. Boatright: Mr. Green, again referring to your Exhibit "P" page 2, I note a statement that the price of coal to the Southern railway has increased approximately 50 per cent. within a certain period there named. Has there been any corresponding increase, or any recent increase in the rates on coal from mines located on the Southern railway?

Mr. Green: None of any consequence.

Mr. Boatright: Are the expenses of the Southern railway incident to wrecks or other accidents charged as operating expenses?

Mr. Green: I do not know.

Mr. Boatright: What is your information or opinion on that?

Mr. Green: I have no information about it.

Mr. Boatright: If they are charged against operating expenses might that not, in case they had been more frequent than in the last three or four years—might that not in some measure account for the increasing decrease that you referred to?

Mr. Green: It certainly would account for an increase in
671 the cost of operation if the conditions you refer to were true.

Mr. Boatright: Now, again referring to rates on lumber from Lumber City to Cairo: You have a rate of 16 cents from Tifton to Cairo. You gave in your comparison a rate of 21 cents; if a shipment moved from Tifton to Cairo how much does the G. S. & F. get out of that?

The Chairman: Do you mean out of the 16 or 21 cents?

Mr. Boatright: Out of the 21 cents. They get 15½ cents, do they not?

Mr. Green: I think they get 5½. They get 5½ cents proportion and the Southern railway gets 15½.

Mr. Green: Yes, sir.

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Mr. Boatright: If a shipment moves from Lumber City or Jesup or any of those stations near Brunswick it will pass through Macon, delivered by the G. S. & F., and move on to Cairo at a rate of 16 cents?

Mr. Green: Yes, sir.

Mr. Baxter: Lumber City is on your line?

Mr. Green: Yes, sir.

672 Mr. Baxter: And Tifton is not?

Mr. Green: Tifton is on a connecting line. We do not reach there at all.

Commissioner Prouty: Your statement which shows a decrease in net earnings covers eight months of the year 1901 as compared with eight months of 1902?

Mr. Green: No, sir; the comparison is for the complete year except when it comes to comparing the year 1903.

Commissioner Prouty: What time did you take in 1903? I thought you had a statement for eight months.

Mr. Green: That was for eight months ending with February of this year—beginning with July, 1902, and ending February of this year.

Commissioner Prouty: That was the eight months which showed a decline in net earnings?

Mr. Green: Yes, sir.

Commissioner Prouty: And during that period your fuel increased 50 per cent. in price over 1899?

Mr. Green: Yes, sir.

Commissioner Prouty: Did the difficulties in reference to
673 coal mining in the North produce a corresponding increase in price in the South?

Mr. Green: I don't think it had any effect, whatever; that is, if you refer to the difficulties in the anthracite district—as to the effect of that upon our price of coal.

Commissioner Prouty: Where does the Southern railway obtain its coal?

Mr. Green: Principally from mines on its own lines in Alabama and Tennessee. On a portion of our line, in Virginia, we get our supply largely from mines on the Chesapeake & Ohio and Norfolk & Western.

Commissioner Prouty: How far south do you operate with that coal?

Mr. Green: I think as far south as Danville, or possibly Greensboro; certainly not below Greensboro.

Commissioner Prouty: What price do you pay for coal from the mines on your own line?

Mr. Green: I don't know anything about that.

Commissioner Prouty: In carrying the price of that coal into your fuel account, do you add the published freight rate?

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674 Mr. Green: We add no freight rate at all so far as our own transportation is concerned. We charge no transportation over our own rails. If we bought coal on a connecting line, we would add the freight rate.

Commissioner Prouty: You say that the price of fuel was 50 per cent. higher for the eight months of this year than for the eight month of the previous year. Do you know what it is now as compared with the corresponding eight months of 1901?

Mr. Green: There is little, if any, difference in the price per ton so far as I am advised. I do not think I said in that statement that that was the price for the eight months of this year as compared with the previous eight months.

Commissioner Prouty: I undrstood Mr. Boatright to make that statement and I had some curiosity to know about it. The testimony we have taken shows that the price in the consuming market is higher than it was and the price at the mine is lower, or very little more in West Virginia.

Mr. Green: That is not true as to Alabama and Tennessee.
675 I am familiar with those situations and know there is a substantial increase in price.

Commissioner Prouty: Is there any record kept showing the movement through Ohio River crossings of lumber?

Mr. Green: No, sir; not that I know of.

Commissioner Prouty: Kept by any bureau?

Mr. Green: No, sir.

Commissioner Prouty: There is no compilation which shows that?

Mr. Green: No, sir.

Commissioner Prouty: Would it be possible, so far as you know, to ascertain the movement in 1901 from Georgia or Mississippi or Arkansas as compared with the movement in 1902 for a given month?

Mr. Green: I doubt whether accurate information of that kind could be obtained. The only way to obtain it would be to get it in the records of the initial lines, the lines that originate the business. So far as our line is concerned, I am sure we have not the copies of the waybills that far back. My impression is that our auditor destroys them after five years, or probably three years, but
676 you can as to initial lines that do preserve their waybills.

Commissioner Prouty: What effect would it produce on the rate situation north of the Ohio river if your rate to Cincinnati was still made twenty cents from Georgia points?

Mr. Green: And the rate from Arkansas 24?

Commissioner Prouty: No; the rate from Arkansas 22. I do not refer to the transportation of lumber to these different markets, but to the rate itself north of the Ohio river. Assuming that the rate to Cairo continues to be 16 cents, as it is now, and the rate to Cincin-

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nati is made 20 cents, what effect would that produce on rates north of the Ohio river? How far to the north and west of Cincinnati would that have effect?

Mr. Green: The present difference between the Cairo rate and the Cincinnati rate being seven cents, it means that wherever the arbitrary from Cairo is less than seven cents below the arbitrary from Cincinnati the combination would be on Cairo. If you reduce the Cincinnati rate four cents without a corresponding reduc-
677 tion in the Cairo rate you would reduce that difference simply four cents.

Commissioner Prouty: That is perfectly evident, but I ask you as a practical matter as to what area or territory that would produce any effect?

Mr. Green: That would be rather difficult for me to answer off-hand. It would certainly affect very largely the State of Indiana and all of the State of Ohio, but I doubt if it would go to the western border of Indiana or into Illinois at all.

Commissioner Prouty: You have introduced an Exhibit "G" here, showing the actual movement in respect to 11 cars of lumber in the month of March from Georgia points?

Mr. Green: Yes, sir.

Commissioner Prouty: It would not be a difficult matter, would it, for you to have made a computation which would show exactly how much the freight was upon each of those cars. That already appears?

Mr. Green: Yes, sir.

Commissioner Prouty: And what portion of that freight money the line south of the Ohio river receives; that is, what por-
678 tion of that money your line received.

Mr. Green: Yes, sir.

Commissioner Prouty: I will be glad if you will have that made. It appears that in 1891 some time, in November or December, these rates were adjusted so that the rate to Cairo was 17 cents, to Louisville 18 cents, and to Cincinnati 20 cents. Now, I would like to have you show what freight you would receive on those same cars of lumber if those rates were still in effect.

Mr. Green: In other words the rates in effect in 1891?

Com'r Prouty: In the last part of 1891.

Mr. Green: Yes, sir.

Commissioner Prouty: As I understand it, these cars moved in March, before the present increase went into effect?

Mr. Green: Yes, sir.

Com'r Prouty: Do you know of any reason why the rate on lumber ought to be higher today than it was in 1891? I don't say it is higher, but do you know of any reason why it should be higher?

Mr. Green: There are two reasons: First, because the price of lum-

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ber is much higher and will not stand a higher rate; and, secondly, because the cost of operating railroads has very largely in-
679 creased and therefore an increase in revenue was required.

Com'r Prouty: The cost of operating railroads has increased since 1891, you say. What items in cost have principally increased, as compared with 1891?

Mr. Green: Of course speaking for the Southern railway, that came into existence in 1894.

Com'r Prouty: You are familiar with the railroad situation before that?

Mr. Green: There is a large increase in the cost of labor.

Com'r Prouty: As compared with 1891?

Mr. Green: Yes, sir.

Com'r Prouty: And there has been a large increase in the cost of lumber since then?

Mr. Green: Yes, sir.

Com'r Prouty: That is an important item in operating a railroad?

Mr. Green: Yes, sir.

Com'r Prouty: How does the cost of iron compare with
680 1891?

Mr. Green: I cannot answer that offhand.

Com'r Prouty: Your traffic has largely increased since then?

Mr. Green: Yes, sir.

Com'r Prouty: And the methods of handling that traffic have very much improved since them?

Mr. Green: Unquestionably.

Com'r Prouty: But you think on the whole that the rates on lumber might well be higher than they were in 1891?

Mr. Green: Yes, sir; I certainly do.

Com'r Prouty: You are aware, of course, that the general average of rates as shown by the ton mile is considerably lower for the whole country now than in 1891.

Mr. Green: Yes, sir; and also that it is increasing now.

Com'r Prouty: It is increasing some now. If I remember, it was about nine mills in 1891, and it is seven and one half mills now. Do you think that the decrease in the rate per ton per mile was because the rates decreased, or because the low-grade traffic increased relatively more than the higher classes of traffic?

681 Mr. Green: Well, the relative quantity of low-grade traffic is bound to affect it more or less. I think so far as this territory is concerned that increase in the rate per ton per mile is unquestionably due to the increase in rates.

Com'r Prouty: The present increase; but I am talking about the decrease which took place between 1891 and 1903.

Mr. Green: I think the tendency of rates during that period was downward all the time.

Com'r Prouty: All rates?

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Mr. Green: Yes, sir; generally speaking.

Com'r Clements: You said this morning in reference to the increase of rates that it affected over five hundred articles, taking place with the beginning of 1900.

Mr. Green: Increase in classification. It was taken from your report.

Com'r Clements: To what territory did you have reference?

Mr. Green: To southern classification territory. There were 531 increases, and 146 decreases, as I recall.

Com'r Clements: You have enumerated certain increases which took place about the time this lumber rate was increased, naming probably fifteen or twenty articles.

682 Mr. Green: I think most of the increases took place some months before the increase in the lumber rate. In fact, lumber was the last important commodity to be advanced.

Com'r Clements: Were those changes in rates, decreases and increases generally the subject of conference in the conference committee of the freight association?

Mr. Green: As to classification, they are discussed only in the meetings of the full classification committee. They are not discussed in the association. As to the rates—as to changes in the rates themselves, they are frequently the result of conference only between a few lines. We might have some rate matter that affected only three or four other lines of our connections. We take that up with them and ascertain if their views on the subject are the same as ours. We give them our views, and if we find that such is the case, we simply proceed in that event to ask Mr. Parrott to publish the rate for us.

Com'r Clements: That course is taken of course where the other roads are not interested in the rate.

Mr. Green: It might take place between Atlanta and Savannah, where the Georgia Central and the Southern have the lines.

683 There is no occasion for us to submit any question to the association.

Com'r Clements: Where the rate is affected by reclassification—is it so in most cases of increases and decreases?

Mr. Green: It is proper to state as to classification that a great many changes in the classification were made as a result of correspondence or conference with shippers, and that at some of our classification meetings sometimes two or three days were taken up by hearing shippers themselves, and I suppose there are few changes in classification where the shippers have not been conferred with, or heard.

Com'r Clements: Changes often originate upon the application of shippers to have the classification or rating changed and those applications are listed and brought before the committee?

Mr. Green: Yes, sir; often they originate in that way.

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Com'r Clements: Where the changes were made by classification, the matter was done through the instrumentality of the classification committee, I understand?

Mr. Green: Yes, sir.

Com'r Clements: And that was done in one paper? So far as done at one time it was done in one paper issued by the classification committee on behalf of all the roads?

684 Mr. Green: Yes, sir; that classification was issued in February, 1900, when the whole classification was gone over.

Com'r Clements: So that it is done simultaneously and by concurrent action of all the roads that are parties to it?

Mr. Green: Yes, sir.

Com'r Clements: What was the object of the reclassification? Did it have any other purpose than to change the rates? Was that the main purpose?

Mr. Green: There were several purposes. I presume the main purpose was to get our classification in better shape than it had been. It had been built up from way back in the beginning of railroading in this country here and was full of inconsistencies, as we thought, and, then again, there were certain lines of articles we wanted to reclassify because we thought they were on too low a basis. The iron list we revised at that time. Other articles we thought were too high and we put them down.

Com'r Clements: The net outcome of that, substantially, was an increase on some 500 articles and a decrease on 140 articles?

685 Mr. Green: Yes, sir. But it must be understood that a great many changes have been made and some of those 500 have been reduced, while I do not think any of the 146 articles that were reduced at that time have been advanced.

Com'r Clements: Would you say that in the majority of cases where they consider the question of rates or classification with reference to the rates that the result of the conference is to prevent an increase proposed by some line?

Mr. Green: I should hardly say that. I believe it is a safe statement, however, that those efforts to make advances in classification which failed and those reductions made in classification are very much greater in number than the advances that were made; and I believe also it is a safe statement that since the early part of 1900 in the Southern freight classification the reductions have been probably greater than the advances.

Com'r Clements: Since when?

Mr. Green: Since the revision in 1900.

Com'r Clements: You mean in the classification?

Mr. Green: I am referring to the classification; yes, sir.

Com'r Clements: Those all show in the classification filed with the Commission?

686 Mr. Green: Yes, sir.

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Com'r Clements: The classification will show the details?

Mr. Green: Yes, sir.

The Chairman: When you speak of Ohio River crossings you mean Cairo, Louisville, Evansville and Cincinnati?

Mr. Green: Yes, sir; those are the principal crossings.

The Chairman: Having reference now to this lumber movement from Georgia to points north of the Ohio river, was there a time when the rates were the same to all four of those crossings?

Mr. Green: I believe there was a time when the rates to Cairo, Louisville and Cincinnati were the same, and my recollection is that the Evansville rate was a cent higher. Henderson, however, on the south bank of the river was the same.

The Chairman: Do you refer to the rates to those four places for local consumption, or the compensation which the lines south of the river received on traffic going to destinations beyond the river?

Mr. Green: When that adjustment existed the rates of course based on the point from which to the point beyond the arbitrary was lowest. There was an equalization. We might have taken the business via Cairo, the through rates, say, basing on Cincinnati and that might have been shrunk to the proportion of Cairo—to the extent of the difference between the arbitrary north of Cincinnati and north of Cairo; but that equalization, however, was nothing like as great as since the special basing rate north of Cairo was established. That was what you might call a natural adjustment.

The Chairman: What other traffic besides lumber moves from this region to points north of the river?

Mr. Green: You are speaking of Georgia alone?

The Chairman: Yes, sir.

Mr. Green: Well, other southern products. There are other products of pine, and such articles as naval stores and products of cotton and oil mills. There are quite a number of oil mills.

The Chairman: Are the rates on those commodities made in the same way, on the same basis as rates on lumber?

Mr. Green: No, sir; there is no rate on any other commodity to Cairo made to equalize competition from Arkansas, or on a lower basis than the ordinary relative adjustment as compared with other river crossings. Lumber is the only article where we have made a marked departure from the established relative Ohio River adjustment.

The Chairman: To put what I have in mind in another form: You did make a reduction in the rate through Cairo at one time on lumber for the purpose of meeting the competition of lumber from west of the Mississippi?

Mr. Green: Yes, sir.

The Chairman: And the same reduction was not made to other Ohio River crossings?

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Mr. Green: That is true.

The Chairman: Is that true of all of the reductions to which you have referred in your testimony?

Mr. Green: No, sir; any other change that has been made to or from Ohio River crossings has not been confined to any one crossing.

Com'r Prouty: You never made any reduction from any of them?

The Chairman: That is what I want to get at. Your rate was 16 or 17 cents for a long period to Cairo.

Mr. Green: It was 13 cents for quite a period.

The Chairman: But before that?

Mr. Green: That is the lowest. It was 17 before that.

689 The Chairman: Was it not 17 for quite a long period, or was it not 16 for a long period?

Mr. Green: It was probably 16 for a longer period than it was 17, because it came down to 17 and 14 and 13. That was the experimental period that was referred to yesterday.

The Chairman: When it was reduced to 16 at Cairo, what was it to the other Ohio River crossings?

Mr. Green: Twenty-two to Cincinnati.

Com'r Prouty: Was it not 20 to Cincinnati and 18 to Louisville?

Mr. Green: I do not think so.

The Chairman: I am a little confused about that.

Com'r Prouty: Twenty to Cincinnati and 18 to Louisville and 20 to St. Louis was what I understood you to say in your testimony somewhere.

The Chairman: Just give those rates and points.

Mr. Green: 20 cents to Cincinnati; 18 cents to Louisville—19 cents to Louisville, and 13 cents to Cairo.

The Chairman: I want to get at the time before the reduction to 13 cents to Cairo.

Com'r Prouty: It was November, 1891; the rate was 17 to Cairo with these same rates to Cincinnati, Louisville and Evans-

690 ville.

Mr. Green: 20 and 18; yes, sir.

Com'r Prouty: Mr. Culp testified to that yesterday in answer to my question.

The Chairman: And then what occurred? I want to review the history of the rates.

Mr. Green: On September 8, 1899, we advanced the rate to Cincinnati one cent, making it 21; Louisville 19, and Evansville 20, Cairo 14. On June 22, 1903, it was made Cincinnati 23, Louisville 21, Cairo 16.

The Chairman: So that the relation in rates as between the different crossings is the same now as it was before these advances?

Mr. Green: Yes, sir; the same as it has been since we reduced the Cairo rate.

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The Chairman: And that was as far back as——

Mr. Green: The difference was 7 cents between the rate from Southern railway Brunswick & Macon stations to Cairo and the rate to Cincinnati, and has been 7 cents continuously since July 1st, 1900.

Commissioner Prouty: And from most shipping points in Georgia there is added still another cent, and sometimes two?

91 Mr. Green: Yes, sir; as to Cairo it is more than that.

Com'r Prouty: So that the rate to Cincinnati today from shipping points in Georgia is in most cases 4 cents higher than it was in 1891?

Mr. Green: Take the G. S. & F., that is true as to stations south of Macon.

The Chairman: Does it come to this, that when the rate to Cairo was first made 13 cents that the relation in rates as between Cairo and other Ohio River crossings was different from what it had been before?

Mr. Green: Yes, sir.

The Chairman: And since that time those relations have been the same?

Mr. Green: Yes, sir; practically the same.

The Chairman: Evansville and Louisville and Cincinnati being just as much above Cairo now and at all times since as they were when the Cairo rate was first put down to 13 cents?

Mr. Green: That is true.

The Chairman: Now, following out the suggestion of Commissioner Prouty, why should rates now at Cincinnati be four cents higher than they were in 1891?

92 Mr. Green: Well, sir, for the same reason that Cairo is four cents higher than it was then. They were both advanced four cents and the total rate beyond has been advanced four cents because conditions existing in that territory enable us to get that four cents now that we could not get then.

The Chairman: If I correctly apprehend the drift of your testimony, it is to the effect that competition from the lumber-producing regions west of the Mississippi compelled you to make a reduction to Cairo which you were not compelled to make to the other Ohio River crossings?

Mr. Green: That is true.

The Chairman: Now, when that competition was diminished, so to speak, by the Ark.?* rate to Cairo being increased, why was it necessary that the rate to Cincinnati and to Louisville should be advanced two cents?

Mr. Green: An increase in the rate to Cairo from Arkansas made

[* Interlined in pencil in copy.]

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also an increase in the rate from Arkansas to the upper river crossings.

Com'r Prouty: Do you mean by that that the Arkansas lines would not consent to advance the rate to Cairo unless you would also advance yours to Cincinnati so that they could still get into this territory north of the river?

693 Mr. Green: No, sir; I do not mean that; I do believe that the Arkansas lines would not be willing to advance the rate to the upper river crossings unless we made a corresponding advance; to consent to advance Cairo.

Com'r Prouty: Not very likely.

The Chairman: Assuming that you must make the same rate to Cairo that is made by the lines from Mississippi and Arkansas, why is it necessary for you to make the same rate to Cincinnati and Louisville? Why should you not have a lower rate there? Or, to put it another way: If you should reduce the rate to Louisville and Cincinnati so that the relation of those rates to the Cairo rates was the same as it used to be years ago before the reduction to 13 cents to Cairo, would the lines west of the Mississippi river necessarily meet those rates to Cincinnati and Louisville?

Mr. Green: I have not the slightest doubt that they would.

The Chairman: Suppose they did?

Mr. Green: They would say: "We have consented to you coming up here to Cairo and putting in a basis of rates the same as ours, enabling you to get into territory that belongs to us, where we

694 have the advantage; now, we are not willing that you should put in rates to Cincinnati that will shut us out of that territory." One of their arguments is that Georgia has a much larger market than they have, because 70 per cent. of the Georgia business goes east.

The Chairman: If leaving your rate to Cairo where it now is, you should reduce the rate to Cincinnati two cents and Louisville one cent, you think that the lines west of the river would retaliate by reducing their rates to Cincinnati and Louisville?

Mr. Green: I do not know that I could say that it would be done in a spirit of retaliation, but rather with a desire to maintain what they think is an equitable adjustment of rates, relatively. I believe they would not only make the same reduction to Cincinnati that we made, but probably in order to maintain the relation which they now maintain between Cairo and Cincinnati they would reduce the Cairo rate.

The Chairman: And that you assign as the reason why your Louisville and Cincinnati rates must be as much above Cairo as they are now?

Mr. Green: I do not assign that as the sole reason. That is one reason.

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The Chairman: Why do you feel obliged, or why are you obliged to have a rate to Louisville and Cincinnati so much higher than the rate to Cairo as that which has prevailed for ten years?

Mr. Green: I could answer that better if you asked me why we carry a lower rate to Cairo than to Cincinnati. That is where the pressure is. The same pressure does not exist at Cincinnati. There is the Arkansas competition—of yellow pine with yellow pine, and Georgia has got just as good a basis as Arkansas has at the upper river crossings, and where they have felt the competition the strongest we have reduced our rate to let them in.

Com'r Prouty: Going back to 1890 we find that the rate at Cairo is the same as the rate at Cincinnati—I may be wrong as to the date—the rate at both points 20 cents.

Mr. Green: Yes, sir.

Com'r Prouty: And you say you were obliged owing to competition to reduce the rate at Cairo?

Mr. Green: Yes, sir.

Com'r Prouty: You say having been obliged to reduce that rate that you may with great propriety restore it; that you reduced when times were hard, when there was depression, and when times are easier that you may with propriety restore that rate; but you never have reduced the Cincinnati rate. Why should you advance that rate?

Mr. Green: It was with the idea, as I have said before, of getting more revenue on our business, by reason of increased expenses.

Commissioner Prouty: I understood you to answer that in stating the rates might be higher now than in 1891.

Mr. Green: Yes, sir.

Com'r Prouty: It comes to that?

Mr. Green: Yes, sir. I have not figured it out, but taking the average rate to the four river crossings, and it is lower now than it was.

Com'r Prouty: That is why I asked you to figure out the freight money received on the 44 cars, and I would like to know what would be the revenue received under the present adjustment and what you received under the former adjustment.

Mr. Green: Yes, sir; I will give you that.

The Chairman: Now, so that I may fully understand your view, state what consequences you would apprehend if you should reduce the Cincinnati rate two cents and the Louisville rate one cent?

Mr. Green: Well, sir, there is no doubt that as to rates from Alabama and Mississippi that a corresponding reduction would follow.

The Chairman: From Alabama and Mississippi?

Mr. Green: Yes, sir; and I have little doubt, if any, in my mind

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that if you reduce the rate from Georgia and Alabama and Mississippi to Cincinnati you will reduce the rate from Arkansas.

Com'r Clements: Mr. Green, you said this morning that since this general increase of rates—I mean the increases that took place generally—you say that a number of them have been reduced?

Mr. Green: I was referring to changes in classification particularly.

Com'r Clements: Well, where the classification affected the increase; since that time one by one, or occasionally, a few items have been reduced again?

Mr. Green: Yes, sir.

Com'r Clements: Now, can you name some, or a few of the principal items or articles upon which the rates were raised and then reduced?

698 Mr. Green: Not from memory. I can have that information worked out.

Com'r Clements: I didn't know but what you had in mind a few specific articles.

Mr. Green: No, sir; I have not.

Com'r Clements: Can you tell why it was done? They were put up I suppose you needed more revenue and thought they would stand it. Why were they reduced again?

Mr. Green: Because we were convinced afterwards that they were too high.

Com'r Clements: Why?

Mr. Green: Because some of the people who were shippers took it up with us I presume. At every meeting we have, as I stated, the first two or three days are taken up with hearing shippers, and we frequently change our classifications to meet their views.

Mr. Baxter: You spoke a while ago of the changes in classifications being adopted by the lines. Did you mean that they are adopted by the joint action, or separate action, of each?

Mr. Green: By the separate action of each.

Mr. Baxter: You spoke here about a rate to Cairo from 699 Group 1 of the Southern railway in Georgia. Is that a rate to Cairo proper or the rate to Cairo for beyond?

Mr. Green: It applies both to Cairo and proper and beyond.

Mr. Baxter: Is not your Group 1 the only portion of Georgia where that obtains? Is there not from all other points in Georgia a rate to Cairo and a rate to Cairo for beyond?

Mr. Green: Yes, sir.

Mr. Baxter: And from all the Georgia points except these, this rate of 13 cents to Cairo is for beyond, is it not?

Mr. Green: Yes, sir; that is correct.

Mr. Baxter: And the Cairo proper rate as against that 13-cents rate is from those points 17 cents?

Mr. Green: Yes, sir.

Mr. Baxter: As I understand you, ever since 1894 there has ex-

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isted a certain relation between the rates from points in Georgia to each of the Ohio River crossings, to wit, Cairo Cincinnati, Evansville and Louisville?

Mr. Green: Yes, sir.

Mr. Baxter: And a similar relation with reference to rates from Georgia to St. Louis?

700 Mr. Green: Yes, sir.

Mr. Baxter: I wish you would look at the paper here handed to you, in which there has been arranged in parallel columns the rates that have been in force, and state what is your earliest rate there that applies to those points on the river.

Mr. Green: They are not in order here at all. January 1st, 1903, is the first one here.

Mr. Baxter: There was a certain relation existing between the rates from Group 1 on the Georgia Southern & Florida railroad to Cincinnati, Evansville, Louisville, St. Louis and Cairo, was there not?

Mr. Green: Yes, sir.

Mr. Baxter: And a certain relation that existed between the rate to Cairo proper and the rate to Cairo for beyond?

Mr. Green: Yes, sir; that is now changed.

Mr. Baxter: Is it not true, as shown by that statement before you, that every time there has been a change in the rate to Cairo for beyond there has been a corresponding change in all the other rates mentioned in that table?

Mr. Green: That is true; yes, sir.

The Chairman: True since a certain date, but has it always 701 been true?

Mr. Baxter: This paper I have only shows the rates from May 28, 1894.

The Chairman: As I understand the witness, since then the same relation has obtained?

Mr. Green: Yes, sir.

The Chairman: But that relation is different from what it was before 1894, or 1891 anyway?

Mr. Baxter: Those figures I have not before me.

Mr. Green: The explanation is this: These first figures are for January 1st, 1893. January 1st, 1893, the difference between the rate to Cincinnati and the rate to Cairo proper was 3 cents. Now, that difference of 3 cents has been constantly maintained since that time. The rate to Cairo for beyond was adopted in 1894, of 13 cents, or 7 cents less than the rate to Cincinnati proper, and that 7 cents difference has been constantly maintained since that time.

Mr. Baxter: That is all.

The Chairman: Just one further question. Do the lines north of the river get as their share of the through rate their local rates from the river?

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Mr. Green: Yes, sir.

702 The Chairman: There is no shrinking or prorating, or anything of that sort?

Mr. Green: No, sir; I know of no case where they exact less than their full rate from the river.

The Chairman: That is my understanding as to traffic generally, and I wished to know if it was equally true of lumber. What they get out of the through rate is their published local?

Mr. Green: Yes, sir.

The Chairman: From the different crossings to the various destinations?

Mr. Green: Yes, sir.

The Chairman: That seems to be all, Mr. Green. You are excused.

Witness excused.

Mr. Boatright: Before passing from Mr. Green's testimony, I would be glad to read into the record the portion of Mr. Green's Exhibit "P" as to coal.

The Chairman: The exhibit is in the record.

Mr. Boatright: There has been some question raised as to whether I stated that portion of it correctly. The portion I refer to is

703 as follows—it is found on the second page of Exhibit "P." The statement is this:

"The average price paid per ton by Southern Railway Company for eight months ending with February, 1903, exceeded the average price paid during fiscal year ending June 30th, 1899, by approximately fifty per cent." That was what my question was based on.

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Exhibit "C" to Testimony of L. Green.

Southern Railway Company, Office of General Freight Agent.

E. A. Niel, General Freight Agent; L. Green, Assistant General Freight Agent.

ATLANTA, GA., *February* 25, 1903.
W.

Mr. S. F. Parrott, chairman, Atlanta, Ga.

DEAR SIR:

RATE ADJUSTMENT.—Lumber, southeastern points to Ohio River crossings and beyond.

Please be advised that the Southern Ry. has telegraphed the Interstate Commerce Commission today withdrawing advanced rates on yellow-pine lumber to Ohio and Mississippi River crossings and beyond, effective March 1st, and that it will not be our purpose to make these advanced rates effective before April 15th.

Yours truly,
(Signed) E. A. NIEL,
General Freight Agent.

Cy Messrs. W. E. Estes.
A. C. Jackson.
J. M. Cutler.
C. R. Capps.
R. A. Brand.
James Menzies.
D. M. Goodwyn.
G. R. Knox.
G. P. Biles.
F. B. Bowes.
L. Sevier.
T. F. Steele.
H. Miller.
T. S. Davant.
E. K. Voorhees.
Lee McClung.
T. C. Powell.

Copy.

703*b* **Exhibit "D" to Testimony of L. Green.**

Southern Railway Company, Office of General Freight Agent.

E. A. Niel, General Freight Agent; L. Green, Assistant General Freight Agent.

ATLANTA, GA., *March* 21, 1903. t.

Rate 3149—B.

Mr. S. F. Parrott, chairman, city.

DEAR SIR:

RATE ADJUSTMENT.—Rates on yellow-pine lumber from the South to western points.

It will be the intention of the Southern railway, effective April 15th, 1903, to make the following changes in the rates on lumber from points on its line, and to participate with its connections in making similar changes from points on their lines, namely:

We will advance two cents per hundred pounds in the rates on yellow-pine lumber, car-loads, from producing points in Mississippi, Louisiana and the Southeast to St. Louis, East St. Louis and all Mississippi River crossings between Memphis and St. Louis, and all Ohio River crossings Cairo to Cincinnati, both inclusive.

We will make the rates to all points north of the Ohio river and east of the Mississippi river and west of the western termini of the trunk lines on the lowest combination.

We will also make an advance of two cents per hundred pounds in the rates to Nashville, Tenn., Memphis, Tenn. to west Tennessee and Kentucky Junction points, provided this does not make rates in excess of the continuous local scale of any line.

We will also make an advance of two cents per hundred pounds in the rates to Chattanooga, Tenn., provided that it does not exceed the continuous local scale of any line.

It will also be our purpose to make an advance of two cents
703*c* per hundred pounds from points in Mississippi, Alabama and the Southeast to the Buffalo-Pittsburg zone.

Yours truly, E. A. NIEL, *G. F. A.*

OPY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FIL

708d

Exhibit "F" to Testimony of L. Green.

(See p. 548.)

Comparison of Existing Rates on Lumber and of Distances from Points in Georgia and Florida to Points On and Beyond the Ohio River with Existing Rates on Lumber and Distances Between Various Other Points in the United States.

Distance.	From—	To—	Rate in cents.
656	Tifton, Ga.	Cairo, Ills.	21
675	Heartpine, Ga.	Louisville, Ky.	22
668	Spokane, Wash.	Glasgow, Mont.	38
682	Heartpine, Ga.	Cairo, Ills.	21
682	Portland, Ore.	Sacramento, Cal.	25
	(There is water competition between Portland and Sacramento.)		
693	Heartpine, Ga.	Cincinnati, Ohio.	24
693	Council Bluffs, Ia.	Rawlins, Wyo.	41.5
641	Pitts, Ga.	Cairo, Ills.	21
636	Omaha, Neb.	Casper, Wyo.	44
638	Chamberlain, S. D.	Milwaukee, Wis.	27
718	Heartpine, Ga.	Vincennes, Ind.	23
706	Marengo, Wis.	Louisville, Ky.	23.5
744	Fitzgerald, Ga.	Centralia, Ills.	24
708	Everett, Wash.	Cut Bank, Mont.	35
749	Tifton, Ga.	Terre Haute, Ind.	25
715	Denver, Colo.	Bowie, Texas	46
729	Everett, Wash.	Shelby Junction, Mont.	35
750	Moultrie, Ga.	Dayton, Ohio	29.5
750	Seattle, Wash.	Shelby Junction, Mont.	35
768	Dinsmore, Fla.	Evansville, Ind.	24
759	Denver, Colo.	Alvord, Texas	46
775	Pitts, Ga.	Saint Louis, Mo.	24
774	Chicago, Ills.	Pierre, S. D.	30
787	Carrabelle, Fla.	Lawrenceville, Ills.	26
782	Tacoma, Wash.	Helena, Mont.	50

MING – POSSIBLE BLURRED PAGES

Exhibit "F" to Testimony of L. Green—Continued.

Distance.	From—	To—	Rate in cents.	
703e				
793	Dinsmore, Fla.	Cairo, Ills.	22	
786	Everett, Wash.	Austin, Mont.	35	
847	Palatka, Fla.	Cincinnati, Ohio	26	
837	Portland, Ore.	Reno, Nev.	40	
879	Carrabelle, Fla.	Pana, Ills.	28	
879	Charlevoix, Mich.	Council Bluffs, Ia.	33	
906	Pitts, Ga.	Detroit, Mich.	31	
905	Tacoma, Wash.	Livingston, Mont.	50	
953	Moultrie, Ga.	Chicago, Ills.	28	
945	Portland, Ore.	Granger, Wyo.	40	
1020	Ellaville, Fla.	Columbus, Ohio	33	
1007	Charlevoix, Mich.	Sioux City, Ia.	35	
1049	Dinsmore, Fla.	Michigan City, Ind.	30	
1049	Portland, Ore.	Livingston, Mont.	50	
1098	Bellamy, Fla.	Chicago, Ills.	30	
1097	Seattle, Wash.	Salt Lake City, Utah	50	
1172	Silver Springs, Fla.	Cleveland, Ohio	37	
1173	Seattle, Wash.	Williston, N. D.	40	(Fir.)
1216	Montbrook, Fla.	Pittsburg, Pa.	36	
1208	Spokane, Wash.	Everest, N. D.	40	(Fir.)

(Here follows Exhibit G, marked page 703f.)

F.O.B. at	Quantity and Kind of Lumber
Cook	9676 feet 113 pcs yellow Pine, 9033 feet 6 V Pcs Yellow Pine
"	10222 feet 105 pcs yellow Pine Sills
"	1275 " 9 Pcs " " "
Mill	12752 feet Heart faced long leaf yellow Pine Decking dressed & Edged
"	9716 feet 85 Pcs Yellow Pine 5½ x 12½ x 36 feet 8 in -
Foster	15277 " 103 " " " 5½ - 9½ x 36 "
"	3782 feet 40 Pcs yellow Pine
"	11615 " 82 " "
"	7876 feet yellow Pine Sills
"	15741 " " "
"	12460 " " "
"	13586 " " "
"	12331 feet 2 x 9 - 1106 x 10 } yellow Pine decking
"	4284 " 2 x 10 - 159 x 10 }
"	17018 "
"	1161 feet yellow Pine decking
"	198 - 2546 - 12 pcs - M.P.S.12 and C M D 1 to
"	400 - 16 M.2 " " " " " "
Mill	B & Better Decking - Dry Stocked { 11213 feet 4/4 " 1506 " 5/4 "
"	10547 feet Standard and better, long Leaf, yellow Pine Car Sills rough green
"	Standard & better Car sills rough green
"	" " " " "
"	12572 feet Standard and better Sills rough green
"	12717 " " " " "
"	Standard and better Car Sills rough green
"	" " " " "
"	" " " " "
"	" " " " "



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703g **Exhibit "H" to Testimony of L. Green.**

(See p. 540.)

Rates on Coal, Car-loads, per Ton, 2,000 Pounds, from Birmingham, Alabama—

To—	Miles.	Rates per ton.	Rates per ton per mile.
Anniston, Ala	64	$.70	$.0109
Rome, Ga	126	1.10	.0087
Chattanooga, Tenn	142	1.05	.0073
Atlanta, Ga	167	1.15	.0068
Athens, Ga	240	1.70	.0071
Augusta, Ga	338	1.90	.0056
Macon, Ga	255	1.60	.0063
Greenville, S. C	328	1.85	.0056
Spartanburg, S. C	359	1.98	.0055
Charlotte, N. C	435	2.35	.0054
Meridian, Miss	152	1.10	.0072
Columbus, Miss	116	.90	.0077
Average	227	1.448	.00637
			.09047*

12*

[* In pencil in copy.]

R FILMING – POSSIBLE BLURRED PAGES

703*h* **Exhibit "J" to Testimony of L. Green.**

(See p. 547.)

Comparison of Rates on Yellow-pine Lumber from South Georgia Points with Rates on Hemlock, Spruce, and White Pine from Northern Points.

Miles.	Rate per 100 lbs.	From—	To—
688	16	Lumber City, Ga.....	Cairo, Ill.
659	21.5	Prentice, Wis.....	Columbus, O.
707	24.5	Marengo, Wis.....	Cincinnati, O.
673	23	Lumber City, Ga.....	Cincinnati, O.
670	28.5	Leota, Mich.....	Des Moines, Ia.
645	22	Lumber City, Ga.....	Evansville, Ind.
644	28.5	Saginaw, Mich.....	Des Moines, Ia.
616	30	Ludington, Mich.....	Des Moines, Ia.
659	21.5	Prentice, Wis.....	Columbus, O.
637	21.5	Prentice, Wis.....	Cincinnati, O.
729	27.5	Lumber City, Ga.....	Dayton, O.
744	24	Ashland, Wis.....	Cairo, Ill.
726	24.5	Ashland, Wis.....	Cincinnati, O.
722	31	Charlevoix, Mich.....	Des Moines, Ia.
337	13	Lumber City, Ga.....	Chattanooga, Tenn.
334	16	Charlevoix, Mich.....	Ft. Wayne, Ind.
333	14.5	Menasha, Wis.....	Ft. Wayne, Ind.
348	13	Muskegon, Mich.....	Cincinnati, O.

COPY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FI

703i

Exhibit "K" to Testimony of L. Green.

(See p. 549.)

Comparative Statement of Rates on Fir Lumber from Pacific Coast Points and Pine Lumber from South Georgia Points to Representative Points on the Ohio River and Beyond.

To—	Fir lumber from Pacific Coast points.	Pine lumber from South Georgia Group Three.
	In cents per hundred (100) pounds.	
Chicago, Ill.	50	27
Des Moines, Ia.	50	28.5
Peoria, Ill.	50	26
Springfield, Ill.	55	26
South Bend, Ind.	56	29
Cedar Rapids, Ia.	50	31
Pekin, Ill.	55	26
Decatur, Ill.	56	26
Evansville, Ind.	57.5	23
Pittsburgh, Pa.	62.5	33

LMING – POSSIBLE BLURRED PAGES

703*j* **Exhibit "M" to Testimony of L. Green.**

(See p. 562.)

Statement of Pine Lumber Purchased from Mills Named Below in South Georgia for the Calendar Year 1902 *and Four Months to April* 30, 1903.

Firm.	1902.		1903.	
	Feet.	Amount.	Feet.	Amount.
Massee & Felton Lumber Company, Macon, Ga.	3,196,125	$51,461.59	561,880	$8,878.29
Wadley Lumber Company, Ambrose, Ga.	2,941,626	38,613.49	1,182,324	16,498.06
Harrell & Arthur, Eastman, Ga.	144,398	1,750.95	195,317	2,800.59
Simpson & Harper, Atlanta, Ga.	481,416	6,438.57	446,704	6,560.02
Dooley Lumber Company, Bigwheel, Ga.	2,196,613	30,775.33	579,992	8,606.29
Sapp & Harrell, Eastman, Ga.	.....	.....	61,410	859.72
Durant Lumber Company, Valdosta, Ga.	136,694	1,855.12	63,760	1,008.58
Reid & Peacock, Eastman, Ga.	.....	.....	17,353	242.89
L. R. Akins, Mt. Pleasant, Ga.	1,303,548	15,163.82	230,972	2,686.87
Canada Lumber Company, Worth, Ga.	161,584	1,983.54	.....	.....
Wrenn & Phillips, Wrens, Ga.	141,911	1,530.00	.....	.....
Parks & Luckie, Pendarvis, Ga.	1,195,504	14,922.60	.....	.....
Union Lumber Company, Moultrie, Ga.	926,001	13,319.47	.....	.....
Stubbs Lumber Company, Cox, Ga.	.....	.....	.....	.....
Totals.	12,825,420	177,814.48	3,339,702	48,141.91
Average per M.	.....	13.90	.....	14.40

OPY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

703k **Exhibit "N" to Testimony of L. Green.**

(See p. 564.)

Average Cost of Yellow-pine Lumber Purchased by Southern Railway Company for Calendar Years Indicated.

Year.	Average price.	Increase.	Per cent. of increase.
1898	$9.70	.....	.....
1899	10.43	$ .73	7.52%
1900	11.71	1.28	12.27%
1901	12.13	.42	3.59%
1902	13.64	1.51	12.45%
Period 1903	14.44	.80	5.86

Increase in said period 1903 over 1898, $4.74 per thousand feet, or 48.87%.

703l Southern Railway Company, Office of Freight Traffic Manager.

T. C. Powell, Freight Traffic Manager.

WASHINGTON, D. C., *November* 19, 1903.

File 301 B.

RATE ADJUSTMENT.—Complaint of H. H. Tift *et al. vs.* Southern Railway Company *et al.*

Hon. Ed. A. Moseley, Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Referring to the testimony of Mr. L. Green, assistant general freight agent, at the hearing before the Commission in Atlanta, during the week of October 26th, I attach hereto two completed copies of Exhibit O to his testimony; figures for the second and third quarters and for the month of October, 1903, having been added.

I shall be obliged if you will substitute these copies for the exhibits now appearing in Mr. Green's testimony. Please advise.

Yours very truly,

T. C. POWELL,
B.,
Freight Traffic Manager.

ING – POSSIBLE BLURRED PAGES

703*m* **Exhibit "O" to Testimony of L. Green.**

Chicago Market Long-leaf Yellow-pine Lumber in Dollars and Cents per Thousand Feet.

A represents 1sts and 2nds flooring.
B represents common flooring.
C represents dimension stuff and timbers under 12″ x 12″ and under 30′ in length.

		1898.	1899.	1900.
First quarter	A	$14.00	$15.00 to 15.50	$21.25 to 22.25
	B	12.00	12.50 to 13.00	18.25 to 18.75
	C	18.00	14.00 to 17.00	18.75 to 21.25
Second quarter	A	14.00 to 14.50	16.50 to 17.00	20.25 to 21.25
	B	12.00 to 14.00	14.00 to 14.50	17.25 to 17.75
	C	17.00 to 18.00	18.00 to 19.00	18.75 to 21.25
Third quarter	A	14.00	19.00 to 20.00	18.00 to 19.00
	B	12.00	16.50 to 17.00	15.00 to 15.50
	C	17.00 to 18.00	16.00 to 18.50	17.00 to 19.50
Fourth quarter	A	15.00 to 16.00	20.75 to 21.75	19.00 to 20.00
	B	12.50 to 13.00	17.75 to 18.25	16.50 to 17.00
	C	16.00 to 17.00	18.25 to 20.75	17.00 to 20.00

		1901.	1902.	1903.
First quarter	A	19.00 to 20.00	22.50 to 23.50	21.00 to 22.00
	B	16.50 to 17.00	18.50 to 19.50	18.50 to 19.50
	C	18.50 to 21.00	19.50 to 22.00	19.50 to 22.00
Second quarter	A	19.50 to 20.50	22.50 to 23.50	21.00 to 22.00
	B	17.00 to 17.50	18.50 to 19.50	18.50 to 19.50
	C	19.00 to 21.50	19.50 to 22.00	19.50 to 22.00
Third quarter	A	20.50 to 21.50	22.50 to 23.50	21.00 to 22.00
	B	17.00 to 17.50	18.50 to 19.50	18.50 to 19.50
	C	19.00 to 21.50	19.50 to 22.00	19.50 to 22.00
Fourth quarter	A	20.50 to 21.50	21.00 to 22.00	October. 21.00 to 22.00
	B	17.00 to 17.50	18.50 to 19.50	18.50 to 19.50
	C	19.00 to 21.50	19.50 to 22.00	19.50 to 22.00

703*n* Chicago Market Long-leaf Yellow-pine Lumber in Dollars and Cents per Thousand Feet.

A represents 1sts and 2nds flooring.
B represents common flooring.
C represents dimension stuff and timbers under 12″ x 12″ and under 30′ in length.

		1898.	1899.	1900.
First quarter	A	$14.00	$15.00 to 15.50	$21.25 to 22.25
	B	12.00	12.50 to 13.00	18.25 to 18.75
	C	18.00	14.00 to 17.00	18.75 to 21.25
Second quarter	A	14.00 to 14.50	16.50 to 17.00	20.25 to 21.25
	B	12.00 to 14.00	14.00 to 14.50	17.25 to 17.75
	C	17.00 to 18.00	18.00 to 19.00	18.75 to 21.25
Third quarter	A	14.00	19.00 to 20.00	18.00 to 19.00
	B	12.00	16.50 to 17.00	15.00 to 15.50
	C	17.00 to 18.00	16.00 to 18.50	17.00 to 19.50
Fourth quarter	A	15.00 to 16.00	20.75 to 21.75	19.00 to 20.00
	B	12.50 to 13.00	17.75 to 18.25	16.50 to 17.00
	C	16.00 to 17.00	18.25 to 20.75	17.00 to 20.00

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		1901.	1902.	1903.
First quarter	A	19.00 to 20.00	22.50 to 23.50	21.00 to 22.00
	B	16.50 to 17.00	18.50 to 19.50	18.50 to 19.50
	C	18.50 to 21.00	19.50 to 22.00	19.50 to 22.00
Second quarter	A	19.50 to 20.50	22.50 to 23.50	21.00 to 22.00
	B	17.00 to 17.50	18.50 to 19.50	18.50 to 19.50
	C	19.00 to 21.50	19.50 to 22.00	19.50 to 22.00
Third quarter	A	20.50 to 21.50	22.50 to 23.50	21.00 to 22.00
	B	17.00 to 17.50	18.50 to 19.50	18.50 to 19.50
	C	19.00 to 21.50	19.50 to 22.00	19.50 to 22.00
				October.
Fourth quarter	A	20.50 to 21.50	21.00 to 22.00	21.00 to 22.00
	B	17.00 to 17.50	18.50 to 19.50	18.50 to 19.50
	C	19.00 to 21.50	19.50 to 22.00	19.50 to 22.00

7030 **Exhibit "P" to Testimony of L. Green.**

Statement based upon official records of Southern Railway Company, showing increase in the expenditures on items of lumber, fuel for locomotives, wages of employés, locomotives and freight cars, and steel rail, with the percentage of such increase, and the percentage of increase in the gross earnings of the Southern Railway Company.

Lumber.

The total purchases of lumber by Southern Railway Company, for the five fiscal years ending with June 30th, 1898, to 1902, inclusive, were as follows:

Year.	Feet.	Amount paid for lumber.	Percentage increase in cost.	Increase gross earnings each year over preceding year.	Percentage increase.
1898	19,077,510	$202,216	.....	.....	.....
1899	23,902,810	235,195	16.3	$4,257,847.32	20.18
1900	33,382,100	432,964	84.	5,847,183.82	23.06
1901	42,961,900	493,192	13.9	3,459,612.29	11.09
1902	43,500,000	553,320	12.1	3,051,765.98	8.80

Total, 162,824,320 feet.
Average, 32,564,864 feet.

NG – POSSIBLE BLURRED PAGES

Estimated purchase for nineteen hundred and three, based on actual purchase of 23,229,000 feet during six months ended December 31, 1902, would be	46,458,000 feet.
Estimated annual purchase of lumber, taking an average of the actual purchases for 1901 and 1902, and the estimated purchase for 1903 would be	44,306,633 feet.
Applying the difference of $2.88 per thousand feet shown between average price paid for lumber during the six months ended December 31, 1902, and during fiscal year ended June 30, 1899, to estimated annual purchase of 44,306,633 feet of lumber, its increased expense for lumber purchased during the fiscal year ended June 30, 1903, over the same expense for 1899 would be	$127,603.10.

703*p* *Fuel for Locomotives.*

The increase in cost to the Southern Railway Company of fuel for locomotives has been very marked, as shown by the following statement:

Year ended June 30.	Total cost.	Increase.	Percentage increase each year over preceding year.	Percentage increase gross earnings.
1898	$961,879.34			
1899	1,138,626.99	$176,747.65	18. 38	20.18
1900	1,749,574.50	610,947.51	53.66	23.06
1901	2,101,335.44	351,760.94	20.11	11.09
1902	2,428,307.02	326,971.58	15.56	8.80
Total	8,379,723.29	1,466,426.68	17.5	
Average	1,675,944.66	366,606.67	21.9	

OPY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

Six months ending December 31.	Total cost.	Increase.	Percentage increase each year over preceding year.	Percentage increase gross earnings.
1901.....	$1,093,274.29	.....	.....	.....
1902.....	1,355,295.18	262,020.89	23.97	12.24

The average price paid per ton by Southern Railway Company for eight months ending with February, 1903, exceeded the average price paid during fiscal year ending June 30th, 1899, by approximately fifty (50) per cent.

The increased cost to Southern Railway Company of fuel for locomotives for six months ending December 31st, 1902, over corresponding period of previous year was two hundred and sixty-two thousand and twenty dollars and eighty-nine cents ($262,020.89). If the same ratio obtains for the remainder of the fiscal year, as it doubtless will, the increased cost in this item alone for the fiscal year ending June 30th, 1903, will be five hundred and twenty-four thousand, forty-one dollars, and seventy-eight cents ($524,041.78).

Wages of Employés.

There have been very material increases in the rate of wages paid to a large number of the employés covered by the classification named below, during the past few months. These increases in the rate of wages and in the number of employés contributed largely to the increased cost of operation, as indicated by the following table:

NG – POSSIBLE BLURRED PAGES

703q

Year ended June 30.	Total wages.	Increase.	Percentage increase each year over preceding year.
1898	$2,579,098.84	.....	.....
1899	3,023,949.71	$444,850.87	17.25
1900	3,671,965.03	648,015.32	21.43
1901	3,911,587.45	239,622.42	6.53
1902	4,477,422.28	565,833.83	14.47
Six months ended December 31.			
1902	2,555,375.74	451,580.25	21.47

The percentage of increase in gross earnings for year ended June thirtieth, nineteen hundred and two, was only eight and eighty-hundredths (8.80) per cent., as compared with fourteen and forty-seven-hundredths (14.47) per cent. increase in wages of employés named. The percentage of increase in gross earnings for six months ended December thirty-first, nineteen hundred and two, was only twelve and twenty-four-hundredths (12.24) per cent. as compared with twenty-one and forty-seven-hundredths (21.47) per cent. increase in wages paid employés named.

The wages paid these employés for the six months ended December thirty-first, nineteen hundred and two, were almost equal to the wages of these forces for the entire twelve months ending June thirtieth, eighteen hundred and ninety-eight.

The increase in wages for six months ending December thirty-first, nineteen hundred and two, over corresponding period of previous year was four hundred fifty-one thousand, five hundred eighty dollars and twenty-five cents ($451,580.25), and even if Southern Railway Company does not exceed this ratio for the remaining six months of the fiscal year, the total increase in this item alone for fiscal year ending June thirtieth, nineteen hundred and three, will amount to nine hundred three thousand, one hundred sixty dollars and fifty cents ($903,160.50), the amount of increase itself being practically forty (40) per cent. of the total wages paid these employés for the entire fiscal year ending June thirtieth, eighteen hundred and ninety-eight.

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Steel Rail.

A substantial advance in the price of new steel rail has contributed largely to the increased cost of operation. The average price paid by the Southern Railway Company for new steel rail during the fiscal year ending June thirtieth, eighteen hundred and ninety-eight, was seventeen dollars and seventy-five cents ($17.75) per ton, while the average price paid for the fiscal year ending June thirtieth, nineteen hundred and two, and for the six months ended December thirty-first, nineteen hundred and two, and the price now prevailing is twenty-eight (28.00) dollars per ton, so that there has been in this item of cost an increase within the period named of ten dollars and twenty-five cents ($10.25) per ton, or fifty-seven and seventy-five-hundredths (57.75) per cent.

703r

Equipment.

There has been a large increase in the price of new equipment. The average prices paid by Southern railway for new locomotives and freight cars were as follows:

A—*Locomotives.*

Year ended June 30th.	Average price.	Increase.	Percentage increase.
1898	$11,392.00	....	.....
1902	14,407.00	$3,015.00	26.5
Six months ended December 31. 1902	15,160.11	3,768.11	33.8

S – POSSIBLE BLURRED PAGES

B—*Box Cars.*

Year.	Cost.	Increase.	Percentage increase.
1898	None purchased.		
1899	$517.60		
1902	716.33	$198.73	38.4
Six months ended December 31.			
1902	879.50	361.90	69.9

C—*Flat Cars.*

Year.			
1898	340.00		
1902	570.44	230.41	67.8
Six months ended December 31st.			
1902	None purchased.		

B—*Coal and Gondola Cars.*

Year.			
1898	$368.00		
1902	775.00	$307.60	83.6
Six months ended December 31st.			
1902	814.46	446.46	121.3

OPY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

703s **Exhibit "Q" to Testimony of L. Green.**

(See p. 575.)

Statement showing the average earnings and expenses, interest and rentals, and other deductions per mile of road of Southern Railway Company for fiscal years ending June thirtieth, eighteen hundred and ninety-eight, up to nineteen hundred and two, inclusive, and for the nine months ended March thirty-first, nineteen hundred and two, and the nine months ended March thirty-first, nineteen hundred and three.

Year ended June 30.	Gross earnings.	Operating expenses and taxes.	Earnings less operating expenses and taxes.	Interest, rentals, and other deductions.	Net balance.
1898	$4,370.18	$3,004.19	$1,365.99	$1,229.55	$136.44
1899.....	4,825.36	3,303.30	1,522.06	1,185.95	336.11
1900.....	4,947.71	3,461.94	1,485.77	1,073.72	412.05
1901.....	5,241.97	3,681.67	1,560.30	1,100.26	460.04
1902.....	5,592.29	3,981.08	1,611.21	1,199.51	411.70
Nine mos. ended M'ch 31st.					
1902.....	4,219.54	2,946.26	1,273.28	909.14	364.14
1903.....	4,501.22	3,254.12	1,247.10	939.42	307.68

NG – POSSIBLE BLURRED PAGES

703*l* **Exhibit "R" to Testimony of L Green.**

(See p. 277.)

Comparison of Gross and Net Earnings for Four Years Ending June Thirtieth, Nineteen Hundred and Two, and for Six Months Ending December Thirty-first, Nineteen Hundred and Two.

Year ended—	Gross earnings.	Net earnings.
June 30, 1899	$25,353,686.07	$7,997,330.70
June 30, 1898	21,095,838.75	6,593,974.31
Increase	4,257,847.32	1,403,356.39
Percentage increase	20.18%	21.28%
June 30, 1900	31,200,869.89	9,369,423.03
June 30, 1899	25,353,686.07	7,997,330.70
Increase	5,847,183.82	1,372,092.33
Percentage increase	23.06%	17.16%
June 30, 1901	34,660,482.18	10,316,857.09
June 30, 1900	31,200,869.89	9,369,423.03
Increase	3,459,612.29	947,434.06
Percentage increase	11.09%	11.12%
June 30, 1902	37,712,248.16	10,865,411.23
June 30, 1901	34,660,482.18	10,316,857.09
Increase	3,051,765.98	548,554.14
Percentage increase	8.80%	5.32%
Six months ended—		
December 31, 1902	21,320,089.42	6,363,624.78
December 31, 1901	18,994,664.96	6,115,049.98
Increase	2,325,424.46	248,584.80
Percentage increase	12.24%	4.07%

PY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FIL

703a **Exhibit "T" to Testimony of L. Green.**

(See p. 563.)

Statement of Prices Paid in Georgia by Southern Railway Company for Yellow-pine Lumber for the Years Named, per Thousand Feet.

	1899.	1903.	Increase.	Percentage increase.
For bridges	$10.67	$13.40	$2.73	25.6%
For car repairs	9.63	14.10	4.47	46.4%
Flooring and ceiling	10.02	16.24	6.22	62. %

703b **Exhibit "U" to Testimony of L. Green.**

(See p. 571.)

Statement showing average price paid by Southern Railway Company per locomotive and per car during the years 1898 and 1902 respectively and the average cost per pound of traction power for locomotives and per hundred pounds of capacity for cars.

Locomotives—Averages.

Year.	Cost.	Tractive power.	Cost per pound of tractive power.
1898	$11,398.00	36,193 lbs.	31.5 cents
1902	14,407.00	37,485 "	38.4 "

The increased cost per pound of tractive power was 6.9 cents, or 21.9 per cent.

ING – POSSIBLE BLURRED PAGES

Box Cars—Averages.

Year.	Cost.	Cost per 100 lbs. of capacity.
1898	None purchased.	
1899	$517.60	$ .86
1902	716.33	1.19

The increased cost per 100 pounds of capacity was 33 cents, or 38.3 per cent.

Flat Cars—Averages.

Year.	Cost.	Cost per 100 lbs. of capacity.
1898	$340.00	56 cts.
1902	570.44	95 "

The increased cost per 100 pounds of capacity was 39 cents, or 69.6 per cent.

Coal and Gondola Cars—Averages.

Year.	Cost.	Cost per 100 lbs. of capacity.
1898	$368.00	61 cts.
1902	775.60	97 "

The increased cost per 100 pounds of capacity was 36 cents, or 59 per cent.

Y BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

703w Southern Railway Company, Office of General Freight Agent.

E. A. Niel, General Freight Agent; L. Green, Assistant General Freight Agent.

ATLANTA, GA., *Jan'y 9th*, 1904. bgb.

19550 W.

Mr. Edward A. Moseley, Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR:

RATE ADJUSTMENT.—Complaint of the Georgia Saw Mill Association.

On pages 545 and 546 of the testimony in this case occurs the following:

"Mr. Baxter: Have you convenient any memorandum from which you can tell us what the average rate per ton per mile is on lumber from the Georgia district to the coast?

"Mr. Green: I have not, but I can prepare it.

"Mr. Baxter: Will you compile one and furnish it to the Commission?

"(The same is hereto annexed and marked Exhibit — to Mr. Green's testimony.)"

I attach hereto statement marked Exhibit X–1, reference to which should be made in connection with the above.

I refer to the following on page 552:

"Com'r Prouty: You have somewhere a statement which will show the total number of cars you handled out of Georgia to the West, or to the Ohio River crossings for that month, have you not?

"Mr. Green: I think I have. I am not certain as to that. As I say, I gave these sheets to our western representatives out there. I am not certain that they were all returned, but I think they were.

"Com'r Prouty: It will show the cars and the destinations?

"Mr. Green: Yes, sir.

"Com'r Prouty: If you can find that statement, I wish you would file it.

703x "Mr. Green: I will do so.

"(The same is hereto attached and marked Exhibit — to Mr. Green's testimony.)"

And on page 585 appears the following:

"Commissioner Prouty: Won't you please have these put together so as to show the cars that moved to Cincinnati, Detroit and other principal shipping points in that territory?

"Mr. Green: Yes, sir; I will do that.

"Commissioner Prouty: Have them put together and then file them as a part of your exhibit."

And on pages 677 and 678, the following:

"Commissioner Prouty: You have introduced an 'Exhibit G'

ING – POSSIBLE BLURRED PAGES

here, showing the actual movement in respect to 44 cars of lumber in the month of March from Georgia points?

"Mr. Green: Yes, sir.

"Commissioner Prouty: It would not be a difficult matter, would it, for you to have made a computation which would show exactly how much the freight was upon each of these cars. That already appears?

"Mr. Green: Yes, sir.

"Commissioner Prouty: And what portion of that freight money the line south of the Ohio river receives; that is, what portion of that money your line received.

"Mr. Green: Yes, sir.

"Commissioner Prouty: I will be glad if you will have that made. It appears that in 1891 some time, in November or December, these rates were adjusted so that the rate to Cairo was 17 cents, to Louisville 18 cents, and to Cincinnati 20 cents. Now I would like to have you show what freight you would receive on those same cars of lumber if these rates were still in effect."

I attach hereto exhibit marked "X–2," reference to which should be made at the bottom of page 552, and likewise following
703*y* the quotations above made on pages 585, 677 and 678.

It should be explained that the sheets referred to on page 552 and which Commissioner Prouty asked me to file were tendered him the following day. He, however, wanted the information tabulated, so as to show the data as requested subsequently in the record quoted above. I have, therefore, put the information contained in the original sheets in the shape as it appears in Exhibit X–2.

On pages 589 and 590, appears the following:

"Mr. Baxter: What is the rate per ton per mile from Cordele, Ga., to Cairo, Ill.?

"Mr. Green: I can give you that by figuring it.

"Mr. Baxter: You can figure it out and hand it in to the stenographer afterwards?

"Mr. Green: Yes sir: I will.

"Mr. Baxter: Also the rate per ton per mile from Laurel, Miss., to Cairo?

"Mr. Green: Yes, sir.

"Mr. Baxter: And give us the distance from Cordele to Cairo and the distance from Laurel to Cairo?

"Mr. Green: From Cordele and Laurel to Cairo?

"Mr. Baxter: Yes, sir.

"Mr. Green: I will do so."

I attach hereto marked "Exhibit X–3" memorandum showing the distances from Cordele, Ga., and from Laurel, Miss., to Cairo, Ill., the existing rates on lumber from those points to Cairo, and the rate per ton per mile based thereon.

Yours truly,

L. GREEN,
Assistant General Freight Agent.

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILMIN

703: **Exhibit No. X-1 to Testimony of L. Green.**

Statement showing rates in cents per hundred pounds on lumber from representative shipping points in Georgia to South Atlantic coast points, distances, and rates per ton per mile and average rate per ton per mile.

From—	To— Brunswick, Ga.			Savannah, Ga.			Jacksonville, Fla.		
	1	*2*	*3*	*1*	*2*	*3*	*1*	*2*	*3*
Southern Railway stations:									
Jesup, Ga.	39	3.8	1.95	57	4.2	1.47	96	6.1	1.27
Baxley, Ga.	69	4.6	1.33	87	5.3	1.21	126	6.8	1.08
Hazlehurst, Ga.	85	5.4	1.27	103	5.8	1.13	142	7.5	1.06
Lumber City, Ga.	92	*2.5	0.54	110	5.8	1.05	149	7.5	1.01
Helena, Ga.	111	5.8	1.04	115	5.8	1.01	167	8.3	0.99
Hawkinsville, Ga.	158	7.5	0.95	159	7.5	0.94	216	7.5	0.69
Average	92	4.93	1.72	105	5.73	1.09	149	7.3	0.98
Seaboard Air Line Railway stations:									
Cuyler, Ga.				20	3.0	3.00	158	5.9	0.75
Claxton, Ga.				49	4.2	1.71	187	7.2	0.77
Collins, Ga.				61	4.5	1.48	199	7.2	0.72
Ohoopee, Ga.				68	4.5	1.32	207	7.6	0.73
Alamo, Ga.				104	5.8	1.11	178	7.5	0.84
Pitts, Ga.				154	7.1	0.92	212	9.0	0.85
Average				76	4.85	1.28	190	7.4	7.79
G. S. & F. Railway stations:									
Baxter, Ga.	186	8.3	0.89	191	8.3	0.87	40	4.2	2.10
Haylow, Ga.	103	8.3	1.61	143	8.3	1.16	88	5.4	1.23
Valdosta, Ga.	116	6.25	1.07	156	7.1	0.91	110	6.25	1.14
Heartpine, Ga.	137	8.25	1.20	177	8.3	0.93	131	6.75	1.03
Tifton, Ga.	129	7.5	1.16	169	6.75	0.80	157	6.75	0.87
Avoca, Fla.	140	8.3	1.18	180	8.3	0.92	134	6.75	1.00
Average	135	7.82	1.16	169	7.7	0.91	110	6.	1.09

* Represents "water competition."

NG – POSSIBLE BLURRED PAGES

Exhibit No. X-1 to Testimony of L. Green—Continued.

703*aa*

From—	To— Brunswick, Ga.			Savannah, Ga.			Jacksonville, Fla.		
	1	*2*	*3*	*1*	*2*	*3*	*1*	*2*	*3*
Atlantic Coast Line Railroad stations:									
Bladen, Ga.	18	3.0	3.33	136	6.7	0.99	114	4.6	0.81
Waycross, Ga.	57	4.5	1.58	97	5.8	1.20	.....	.....	.....
Kirkland, Ga.	91	5.8	1.27	131	6.7	1.02	109	5.8	1.06
Albany, Ga.	169	7.5	0.89	209	7.5	0.72	187	8.	0.86
Dupont, Ga.	91	5.8	1.27	131	5.8	0.89	109	5.8	1.06
Valdosta, Ga.	116	6.25	1.08	156	7.1	0.91	110	6.25	1.14
Quitman, Ga.	134	6.7	1.00	174	8.	0.92	.....	.....	.....
Pidcock, Ga.	144	7.1	0.99	184	8.	0.87	138	7.5	1.09
Thomasville, Ga.	161	7.5	0.93	201	8.3	0.83	.....	.....	.....
Bainbridge, Ga.	198	8.3	0.84	238	9.2	0.77	192	8.25	0.91
Average	118	6.25	1.06	166	7.3	0.90	138	6.68	0.97
Central of Georgia Railway stations:									
Dover, Ga.	.....	.....	.....	57	4.2	1.47	.....	.....	.....
Millen, Ga.	.....	.....	.....	79	5.	1.27	.....	.....	.....
Wadley, Ga.	.....	.....	.....	107	5.8	1.08	.....	.....	.....
Oconee, Ga.	.....	.....	.....	146	7.1	0.97	.....	.....	.....
McIntyre, Ga.	.....	.....	.....	162	7.5	0.93	.....	.....	.....
Average	.....	.....	.....	110	5.92	1.07	.....	.....	.....

Explanation of Groups.

1. Number of miles.
2. Rate in cents per hundred pounds.
3. Rate per ton per mile in cents.

Y BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILMI

703bb **Exhibit No. X-2 to Testimony of L. Green.**

Statement showing the movement via Southern railway in March, 1903, of lumber (674 cars) from points in Georgia and Florida to Ohio River points and beyond; the number of cars and weight thereof to each point of destination; the total freight charges thereon based on present rates; the freight charges accruing to lines south of the Ohio river on basis of the proportions of present rates via routes actually traversed, and the freight charges that would have accrued to lines south of the Ohio river had the rates been constructed on basis suggested by Commissioner Prouty, viz: To Cairo, 17; Louisville, 18; and Cincinnati, 20 cents, from all the main lines in Georgia originally grouped with Southern railway (between Macon and Brunswick), and the present differentials higher on lumber originating on tap lines.

Destination.	Number cars.	Weight.	Total freight charges, present rates.	Fr't chgs. of lines south Ohio river, present basis.	Fr't chgs. of lines south Ohio river, proposed by Com'r Prouty.
Cincinnati, Ohio	17	758,250	$1,805.84	$1,805.84	$1,536.79
Louisville, Ky	9	402,800	1,001.70	1,001.70	877.15
Jeffersonville, Ind.	6	318,050	792.07	792.07	696.65
Winton Place, Ohio	1	32,000	68.80	60.80	57.60
Hegewisch, Ill	70	3,503,720	9,444.83	5,871.58	5,871.58
Leetsdale, Pa	2	74,000	244.20	170.20	148.00
Pullman, Ill	25	1,237,800	3,376.76	2,110.96	2,110.96
Kensington, Ill	37	1,905,580	5,210.31	3,278.45	3,278.45
Michigan City, Ind	54	2,845,900	7,710.19	4,614.68	4,614.68
Cleveland, Ohio	1	43,700	139.84	96.14	87.40
Harrisburg, Ill.	1	52,300	128.14	96.75	96.75
Auburn, Ind	4	199,550	608.57	409.02	394.27
Chicago, Ill	82	3,807,200	10,481.35	6,596.96	6,604.26
Bloomington, Ill	3	131,350	357.53	199.91	207.29
Beaver Falls, Pa	1	41,900	138.27	96.37	83.80
Buffalo, N. Y	6	328,460	1,084.32	755.46	671.36
Salem, Ohio	1	41,400	136.62	95.22	82.80
Jacksonville, Ill	1	55,450	144.17	83.18	83.18
Parkersburg, W. Va	2	71,650	219.08	147.43	147.43
Columbus, Ohio	74	3,089,050	9,276.10	7,114.78	6,375.36
Burdick, Ind	5	225,450	658.61	423.99	423.99
Detroit, Mich	36	1,552,590	4,874.28	3,310.18	3,257.02
St. Mary's, Ind.	1	452,500	113.13	63.35	63.35
703cc Terre Haute, Ind.	7	517,700	1,301.61	903.78	903.78
Dayton, Ohio	25	1,201,330	3,485.79	2,934.93	2,594.54
Morganton, Ind	1	39,500	106.65	75.05	71.10
Hammond, Ind	44	2,102,860	5,741.57	3,629.70	3,629.70
Urbana, Ohio	3	198,800	609.91	480.68	411.11
West Detroit, Mich	45	2,012,910	6,313.06	4,246.35	4,094.65
Charleston, W. Va	1	42,600	140.58	102.24	85.20
Vincennes, Ind	29	1,301,700	3,005.90	1,964.65	1,964.65
Alton, Ill	2	97,450	223.88	126.69	126.69
Hume, Ill	5	206,850	537.81	330.96	330.96
Coldwater, Mich	2	68,000	207.76	139.76	136.00
Aurora, Ill	1	51,400	143.92	82.24	82.24

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Exhibit No. X-2 to Testimony of L. Green—Continued.

Destination.	Number cars.	Weight.	Total freight charges, present rates.	Fr't chgs. of lines south Ohio river, present basis.	Fr't chgs of lines south Ohio river, proposed by Com'r Prouty.
McKee's Rock, Pa	6	214,850	701.49	486.64	429.70
Indianapolis, Ind	4	164,350	450.74	335.69	319.26
Findlay, Ohio	1	44,800	138.88	98.56	89.60
Greenfield, Ohio	1	32,500	104.00	81.25	64.00
Rochester, Ohio	1	39,600	130.68	91.08	83.16
Okwein, Iowa	3	96,600	328.44	231.84	193.20
Salt Ste. Marie, Ont	6	322,600	1,510.08	801.10	672.30
Toledo, Ohio	3	138,600	429.66	304.92	277.20
St. Louis, Mo	4	167,700	413.43	292.49	256.56
Canton, Ohio	1	49,100	162.03	112.93	103.11
Mt. Vernon, Ill	10	412,780	1,062.67	885.56	797.00
Greenville, Ill	1	46,800	117.00	60.84	60.84
Charleston, Ill	1	30,000	70.89	37.89	40.80
Elkhart, Ind	1	30,000	84.00	54.00	57.00
Gettysburg, Ohio	1	36,450	109.35	85.66	72.90
Akron, Ohio	1	32,200	103.04	70.84	64.40
Sheridan, Ind	1	33,600	101.52	67.68	67.68
South Bend, Ind	2	98,500	270.16	167.00	167.00
Auburn Junction, Ind	1	54,500	168.95	114.45	109.00
Wabash, Ind	1	32,750	91.70	62.23	62.23
Decatur, Ill	1	65,300	169.78	97.95	97.95
Vienna, Ill	1	46,950	111.74	55.40	55.40
Mansfield, Ohio	1	44,500	129.05	91.23	91.23
Bellview, Ohio	1	30,000	93.00	66.00	60.00
Toronto, Ont	1	40,000	144.00	84.00	80.00
Moline, Ill	1	47,700	117.81	46.26	46.26
Huntington, Ind	1	28,800	86.40	60.48	60.48
Oakland, Ind	1	37,800	102.06	86.94	86.94
Princeton, Ind	3	115,400	313.08	266.92	266.92
English, Ind	4	172,500	500.25	296.75	396.75
Huntingburg, Ind	2	71,300	206.77	163.99	163.99
Tasewell, Ind	2	81,400	236.06	187.22	187.22
Bridgeport, Ohio	1	41,500	145.25	103.75	87.15
Total	674	31,539,390	$88,738.11	$60,361.59	$57,867.96

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILMIN

Total loss in revenue to lines south of the Ohio river, $2,493.63, or an average of $3.70 per car, if basis proposed by Commissioner Prouty was observed.

703dd Average revenue per ton per mile actually earned by Southern railway on the entire movement was 4 mills.

Average revenue per ton per mile actually earned by lines south of the Ohio river was 4.34 mills.

Number of open cars used	346	51.3%
Number of box cars used	328	48.7
Total	674	100. %

Flat cars loaded 86.5% of marked capacity.
Box " " 81.6% " "
Actual capacity 10 per cent. in excess of marked capacity.

ING – POSSIBLE BLURRED PAGES

703cc **Exhibit No. X-3 to Testimony of L. Green.**

Statement Showing Distance from Cordele, Ga., and from Laurel, Miss., to Cairo, Ill.; the Existing Rates on Lumber from These Points to Cairo, and the Rate per Ton per Mile Based Thereon.

To Cairo, Ill.

From—	Miles.	Rate.	Rate per ton per mile.
Cordele, Ga.	626	21c.	6.7 mills.
Laurel, Miss.	413	16	7.7 "

If the rate from Cordele to Cairo were the same as from Laurel to Cairo, the rate per ton per mile would be only 5.1 mills.

Mr. Baxter: Mr. Compton, you may take the stand.

OPY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

704 C. B. COMPTON,

a witness called on behalf of defendants, having been duly sworn, testified as follows:

Mr. Baxter: Mr. Compton, you are connected with the Louisville & Nashville railroad?

Mr. Compton: Yes, sir.

Mr. Baxter: In what capacity?

Mr. Compton: I am traffic manager.

Mr. Baxter: For what length of time have you held that office?

Mr. Compton: I have held the office of traffic manager for the last several years,—since 1900.

Mr. Baxter: Before that time what office did you hold?

Mr. Compton: I held the office of general freight agent, for several years.

Mr. Baxter: How long have you been connected with the freight traffic department of railroads in the United States?

Mr. Compton: I have been connected with the Louisville & Nashville railroad for more than 32 years.

705 Mr. Baxter: Are you familiar with the freight traffic of that company?

Mr. Compton: Yes, sir: I feel that I am.

Mr. Baxter: What has been the nature of your duties as a traffic officer of that company for the last six or eight years? What have you had charge of?

Mr. Compton: In my capacity I have charge of all the traffic of the Louisville & Nashville railroad, including freight, passenger, rail and express. My duties require me to supervise the traffic affairs of the Louisville & Nashville railroad.

Mr. Baxter: And does that include the making of freight rates?

Mr. Compton: Yes sir.

Mr. Baxter: Are the freight rates of that company made through the Southeastern Freight Association, or how are they made?

Mr. Compton: The rates of the Louisville & Nashville railroad are made by the officers of the Louisville & Nashville railroad, subject to the approval of its traffic manager. The traffic manager makes some rates himself, but he has charge of the traffic and
706 the making of the rates on the system. They are made by and with the authority only of the proper officers, and not by any association or through any association.

Mr. Baxter: Is there any contract or agreement, written or oral with any other line as to what rates shall be?

Mr. Compton: No, sir.

Mr. Baxter: In regard to the lumber originating in southeastern

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territory which is handled by the Louisville & Nashville Railroad Company in its transportation to points on or beyond the Ohio river, how do the profits accruing to your company from that movement compare with the profits which it makes from handling other commodities or other traffic? Are they greater or less?

Mr. Compton: They are materially less. The revenue or benefits accruing to the Louisville & Nashville railroad on yellow-pine traffic from southeastern territory yields the Louisville & Nashville railroad less per ton per mile than any other traffic handled by it.

Mr. Baxter: What per cent. of the lumber moved by the Louisville & Nashville railroad from southern and southeastern
707 territory is distributed to points north of the Ohio river?

Mr. Compton: As between the business which goes to the Ohio river proper and to the Ohio river for beyond—that is, Ohio river proper business as related to the beyond business—I would say about 20 per cent. Fifteen to twenty per cent. I think would be a fair estimate.

Commissioner Clements: You mean that much goes beyond or to the river?

Mr. Compton: I mean that from 85 to 90 per cent. of the business goes to points beyond the Ohio river.

Mr. Baxter: In making rates on lumber from points in Georgia and Florida to points beyond the Ohio river, explain how those rates are made.

Mr. Compton: The rates on lumber from Georgia territory to points north of the Ohio river are made on the basis of the rate to the river plus the rate from the river; that is to say, they are made on the combination off those two rates.

Mr. Baxter: The rate from the river, or north of the river is, as I understand it, the full local rate of the northern lines?

708 Mr. Compton: Yes, sir.

Mr. Baxter: Now, the remainder of the rates after allowing to the northern lines their full locals north of the river is what is left to the roads south of the river?

Mr. Compton: Yes, sir.

Mr. Baxter: Now, those proportions which the railroads south of the Ohio river are compelled to accept out of these lumber rates, are they high or low proportions?

Mr. Compton: They are low proportions.

Mr. Baxter: Now what rate per ton per mile do the proportions received by the L. & N. railroad for its service south of the Ohio river on lumber destined beyond the river amount to?

Mr. Compton: I think from three and one-half to four mills per ton per mile is a fair estimate.

Mr. Baxter: Why is it, Mr. Compton, that the roads south of the river accept such low proportions on this Georgia and Florida lumber?

PY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

Mr. Compton: Well, in the division of the through rates from the point of origin to destination allowing the lines north of the
709 Ohio river their locals and the originating lines their rates to the junctions, and prorating the remainder, yields very low proportions to the Louisville & Nashville railroad. The reason why we handle it is not because it is profitable in itself, because it is not profitable in itself; that is, considering the movement one way it is very poor paying business, and considering the fact that you must in about thirty per cent. of the cases where the business is moved from Georgia carry south from the Ohio river empty flat cars for the movement of that property. Therefore, considering the fact that the rate per ton per mile to the carrier—that is, to the Louisville & Nashville railroad—is small, and the additional haul of empty cars south for the business forces me to reach the conclusion, and I am sure it is right, that the business is unprofitable; that is, it is the lowest paying business that the Louisville & Nashville railroad has on its rails, generally speaking.

Mr. Baxter: Is there no south-bound loading for those flat cars used in the carriage of lumber back?

Mr. Compton: There is occasional loading, yes, but relatively small.

710 Mr. Baxter: What per cent. of the flat cars used by your company in the transportation of lumber are brought south empty?

Mr. Compton: Of the equipment furnished by the Louisville & Nashville railroad and its connections moving south for lumber, I do not believe that there is two per cent. of that equipment loaded south bound.

Mr. Baxter: You derive no revenue at all when you move a flat car south bound empty do you?

Mr. Compton: No, sir.

Commissioner Fifer: Are you speaking now of flat cars only or of both flat cars and box cars?

Mr. Compton: I was speaking of flat cars.

Mr. Baxter: As I understand there was formerly, as appears by the testimony here a higher rate on lumber when transported in flat cars than when transported in box cars. Why was that difference made?

Mr. Compton: The difference was at one time seven cents per hundred pounds. Later it was made three cents per hundred pounds. That is to say, the rate on lumber loaded on flat
711 cars was higher than the rate on box cars three cents per hundred pounds, and part of the time seven cents per hundred pounds. The reason why that extra charge was made was because of the extra service performed by the carrier.

Mr. Baxter: Well, the carrier performs as much extra service now as it did then, does it not?

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Mr. Compton: Yes, sir.

Mr. Baxter: So that the reduction in the flat-car rate to the box-car rate is a concession or reduction to the flat-car lumber of from three to seven cents?

Mr. Compton: Yes, sir.

Mr. Baxter: At whose instance are flat cars used for the transportation of lumber instead of box cars?

Mr. Compton: They are supplied wholly for the convenience of the shipper.

Mr. Baxter: They are, then, requested by the shipper?

Mr. Compton: Yes, sir.

Mr. Baxter: Why does the shipper prefer the flat car to the box car?

712 Mr. Compton: The shipper prefers the flat car to the box car, first, for the reason that it will cost him about thirty per cent. less to load a flat car than to load a box car. Then, the shipper no doubt in the sale of his product is required to furnish dimensions of lumber that cannot be loaded in box cars, and for that reason he needs the flat car and requires it.

Mr. Baxter: In equipping flat cars for carrying lumber some of them, as I understand, are equipped only with standards and have no strips or other supports at all.

Mr. Compton: That is true.

Mr. Baxter: Have you had occasion to investigate what the cost is of equipping a flat car with standards? If so, what is that cost?

Mr. Compton: I have a memorandum here which I prepared after a personal visit to five saw-mills located on the Louisville & Nashville railroad in Alabama south of Montgomery, and this cost list was given me by the proprietors of the mills. The first one I have is from the Blackshere Lumber Company of Brewton, Ala., $1.15 per car.

Mr. Baxter: I want the cost of furnishing the car with standards omitting strips and supports.

713 Mr. Compton: I am giving now the cost of standards. The Saginaw Lumber Company of Saginaw, 25 cents; the Geneva Lumber Company of Atmore, Ala., 60 cents; the Alabama and Florida Lumber Company of Molino, 72 cents; the Horseshoe Lumber Company, of River Falls, Ala., 75 cents; there are five mills each giving a different estimate of the cost of stakes. I therefore concluded it would be fair to add these separate costs together and divide them by 5 to get an average. The total was 347 cents, divided by 5—the number of mills—would make the average 69.6 cents.

Mr. Baxter: What is the cost of equipping a flat car where you use standards and also use strips to hold the standards together?

Mr. Compton: It would be about 25 per cent. greater.

Mr. Baxter: Where you also use in addition to standards strips and supports?

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Mr. Compton: In estimating the stakes and cross-pieces and the supports which are used under the lumber, those three items I estimate, allowing fully for everything, at $1.25.

Mr. Baxter: What is the average freight on the material
714 used for equipping flat cars on lumber shipped from Georgia to Ohio River points and beyond?

Mr. Compton: The estimate that I have obtained is 700 pounds per car. I have prepared a statement showing rates from 26 representative points of origin to 39 points of destination on and beyond the Ohio river which I will use as an exhibit in answer to another question, and from that I will give you the average rate from all these points of origin to all these points of destination, so by having that average and multiplying it by 700 you will get the freight on the stakes, supports and strips to destination; that is to say, that would be the revenue accruing to the railroad from the point of shipment to destination, based on this estimate per hundred pounds. I will give that to you later.

Mr. Baxter: Are there any other commodities other than lumber, which require similar protection, and, if so, what?

Mr. Compton: Yes sir; all articles that require flat cars are loaded on cars furnished to shippers without stakes, standards or sup-
715 ports. The shippers load those cars and stake the cars in order to protect their property. The stakes are not furnished by the carrier, but are furnished by the shipper. The carrier obtains freight on the gross weight of the car. That is, the gross weight as obtained on track scales, less the stenciled weight of the car; in other words the carrier gets pay for transporting the gross weight of the machinery or other commodities loaded plus the standards, and strips and supports.

Mr. Baxter: That regulation applies as well to all other articles as well as lumber loaded on flat cars in that way?

Mr. Compton: Yes, sir.

Mr. Baxter: Is there any exception to that rule in any instance?

Mr. Compton: I do not know of an exception.

Commissioner Fifer: The rule is uniform in that respect.

Mr. Compton: There is no exception to the rule on the Louisville & Nashville railroad. I can say that.

716 Mr. Baxter: Mr. Compton, you heard Mr. Green on the stand read rules 12 and 13 of the Master Car Builders' Association?

Mr. Compton: Yes, sir.

Mr. Baxter: Are the same rules in effect on the Louisville & Nashville road?

Mr. Compton: Yes, sir.

Mr. Baxter: Does the average freight on southern yellow-pine lumber from Georgia and Florida mills to destinations on and north of the Ohio river amount in the aggregate to as much, or more, or

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less than the value of the product at the point of shipment? Have you got Exhibit A?

Mr. Compton: I have an exhibit, which I will file as Exhibit A, which was prepared by me. This statement contains, or sets forth the movement of yellow-pine lumber from points in Georgia, during the month of March, 1903, by the Louisville & Nashville railroad, received from its connections for transportation to various points north of the Ohio river, such as Terre Haute, Indiana, Elkhart, Indiana, Michigan City, Indiana, Pullman, Illinois, Cleveland,
717 Ohio, Franklin, Indiana, Mt. Vernon, Illinois, and Cincinnati and Louisville on the Ohio river.

Mr. Baxter: Now, from what points?

Mr. Compton: The points of shipment are set forth in the exhibit, such as Tifton, Ga., Thomasville, Ga., Belfast, Ga., Hearns Mill, Ga., Moultrie, Ga.,—well they are too numerous, I suppose, to put into the record, but the exhibit is self-explanatory.

Mr. Baxter: Those points of shipment are located in Georgia and Florida, are they not?

Mr. Compton: Yes, sir.

Mr. Baxter: And the points of destination are in Ohio, Indiana, Michigan, Illinois and Kentucky, are they not?

Mr. Compton: Yes, sir.

Mr. Baxter: Does that statement show, among other things, the amount of freight charged?

Mr. Compton: Yes, sir; it shows in detail as follows: The name of the shipper, point of shipment, the date of shipment, the number of the car, the consignee, the destination, the weight, the rate charged, the freight charged, the classification of the lumber, the price
718 of the lumber, and the amount of money that the shipper received for the property.

(The same is hereto annexed and marked "Exhibit A to Mr. Compton's testimony.")

Com'r Prouty: Does that statement include all the car-loads you moved during that month?

Mr. Compton: No, sir; when this complaint was first brought it was stated that the freight on the property to destination was more than the value of the lumber. I took the movement for one month by the Louisville & Nashville railroad from Georgia, got the way-bills and all the data and put our traveling freight agents to work to get me the information. I did not meet with success in all cases. I found a disposition on the part of the consignees to not give such information. In fact, many of them told us they had been requested not to give us such information. But I have compiled in this exhibit all the information I was able to obtain and I think this is fairly representative of the movement.

Com'r Prouty: How many cars are included in that exhibit?

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Mr. Compton: 84 cars.

719 The Chairman: That is for what month?

Mr. Compton: That is during the month of March, 1903.

Com'r Prouty: Do you know the total number of cars you moved from Georgia points during that month?

Mr. Compton: Yes, sir; I have that information. (Referring to papers.)

Com'r Prouty: You need not look for it now.

Mr. Compton: I am going to file it as an exhibit later and will explain the detail of it.

Com'r Prouty: I would like to have you let it appear somewhere in connection with your testimony at what points these cars originated,—although that is not so material—the points to which they moved on the Ohio river, or north of the Ohio river and the points through which they moved on the Ohio river. If there are 20 cars to Chicago, for instance, I would make one item of that, and if there are 25 cars to Detroit, I would make one item of that.

Mr. Compton: It gives all the information that you have suggested except the gateway through which the business passed to the points north of the Ohio river. That can be given if desired.

Com'r Prouty: Well, that is not so material if you have

720 the point to which it moved.

Mr. Compton: This is in typewritten form and it is in such shape that it can be easily compared.

Mr. Baxter: Do the shipments contained in that exhibit represent or not a fair average of the kind or class of lumber moved from the points of shipment therein stated to the points of destination therein stated?

Mr. Compton: Yes, sir.

Mr. Baxter: Well, do those shipments, or not, represent a fair average of the kind or class of lumber transported from Georgia or Florida to points on or beyond the Ohio river?

Mr. Compton: Yes, sir.

Mr. Baxter: Examine it and see whether they represent all the high-class, or all the low-class grades of lumber, or some of each.

Mr. Compton: Well, the statement contains the detail of the class of lumber and it contains all classes, high, low and medium.

Mr. Baxter: Does that statement show whether the freight on that lumber exceeded or not the value of the lumber?

Mr. Compton: It shows that the value of the lumber ex-

721 ceeded the freight.

Mr. Baxter: How does the present rate on lumber from Georgia and Florida points on and north of the Ohio river—and by "the present rate," I mean the rate that includes the 2-cent recent advance—how does that rate compare per ton per mile with the rate per ton per mile on coal, pig-iron and other like products, weight and cost of handling considered? Have you Exhibit B?

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Mr. Compton: Yes, sir; I have an exhibit marked B, which I will file as a part of this answer. It shows the rates on pig-iron from Birmingham, Chattanooga and Sheffield to Cincinnati, Louisville, Evansville, East St. Louis, Chicago, Toledo, Detroit and Cleveland.

(The same is hereto annexed and marked "Exhibit B to Mr. Compton's testimony.")

Mr. Baxter: Does it also show the rates to Birmingham, Sheffield and Chattanooga?

Mr. Compton: It shows the rates from Birmingham, Chattanooga and Sheffield to the points of destination I have enumerated. It shows the rates and divisions from Birmingham to each point of destination; it shows the mileages from Birmingham to each
722 point of destination; it shows the rate per ton per mile from Birmingham to each point of destination; it also shows the proportions accruing south of the Ohio river, and the proportions accruing north of the Ohio river and the total of the rates to the Ohio river, and the total of the rates beyond and the total through rate. It shows the total mileages to the Ohio river; shows the total mileages beyond the Ohio river; and shows the total mileages through to destination. By these calculations it is shown that the rate per ton per mile received to the Ohio river and East St. Louis is 5.8 mills per ton per mile.

Mr. Baxter: On pig-iron?

Mr. Compton: Yes, sir. The rate per ton per mile accruing to the lines north of the Ohio river is 5.9 mills. The through rate per ton per mile is 5.8 mills. I have given you that information concerning rates and divisions on pig-iron from Birmingham, and in parallel columns I have given you similar information as to Chattanooga and Sheffield and in a total I have worked up information to show that from the three points of origin, which are fairly representative and are the districts of production of pig-iron, to
723 the destinations shown, which are fairly representative points of consumption, the average rate per ton per mile to the Ohio river and St. Louis is 6.1 mills, beyond the Ohio river 5.9 mills, and the rate per ton per mile through is 6.1 mills. The rate per ton per mile on pig-iron is greater than the rate per ton per mile on lumber from Georgia accruing to the Louisville & Nashville railroad, and I do not know of any other commodity which yields to the Louisville & Nashville railroad as low a rate as this lumber from Georgia.

Mr. Baxter: How do the rates on lumber from points in Georgia and Florida to the Ohio river and beyond compare with the rates on classified traffic?

Mr. Compton: They are materially less than on classified traffic.

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Classified traffic always takes a higher rate. Lumber is issued as a commodity rate, and lower rates apply than on classified articles.

Mr. Baxter: How do the rates or revenue received by the Louisville & Nashville railroad on lumber from Georgia and Florida points to the Ohio river and beyond compare with the revenue which it receives on any other commodity from the same points of origin to the same points of destination, or from any other
724 points of origin to any other points of destination.

Mr. Compton: There is no traffic handled from southeastern territory to the Ohio river or beyond which yields the Louisville & Nashville Railroad Company as low rates per ton per mile as the lumber traffic in Georgia. There is no other traffic handled by the Louisville & Nashville that I am aware of that pays a less rate per ton per mile than this lumber traffic from Georgia. There may be an exception now and then, but the rates per ton per mile on this traffic are the lowest paying rates per ton per mile that the Louisville & Nashville receives.

Com'r Prouty: What proportion is lumber of the total tonnage carried by the Louisville & Nashville?

Mr. Compton: The annual report of the Louisville & Nashville Railroad Company for the fiscal year ending July 1st, 1902, shows that from the products of the forests we obtained 12.6 per cent. of our tons carried. I cannot tell you the amount of revenue derived from that 12.6 per cent. of the tons carried, but that is the proportion in tons.

Mr. Baxter: Of the lumber referred to by you in the paper
725 which you filed as Exhibit A, awhile ago, what percentage of that lumber was consigned to railroad companies for use by them, or to car manufacturers—Exhibit A, the paper which you passed to the stenographer just now?

Mr. Compton: I will answer that later. I have the data here.

Mr. Baxter: The consignee being shown on Exhibit A, it is just a matter of calculation to ascertain the percentage. I thought you had it. Mr. Compton, were you with the Louisville & Nashville Railroad Company at the time the market for southern yellow pine north of the Ohio river was developed and created?

Mr. Compton: Yes, sir.

Mr. Baxter: Will you state to the Commission what efforts your company and other companies interested in the South put forth to create, develop and foster that market?

Mr. Compton: The Louisville & Nashville Railroad Company took possession of the Alabama South & North railroad in 1873, and from that time on the Louisville & Nashville railroad undertook to foster the yellow-pine interests in the South by introducing it into the territory on and north of the Ohio river. They
726 met very little success at first, but after many years of pioneer work they finally succeeded by solicitation and by specifica-

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tion that such lumber should be used in the manufacture of its equipment and should be used in its bridges and buildings—they finally succeeded in fostering the industry and helping it on to its feet, and from that time on it gradually grew. It grew faster after, say, the early eighties. The business increased and I know of my own personal knowledge, my own contact with the business that we moved business in yellow pine from the Southern States to territory on and north of the Ohio river as far back as the early eighties.

Mr. Baxter: What efforts were made to aid the introduction of that lumber into territory north of the river by the reduction of freight rates to enable it to compete with other lumber?

Mr. Compton: Well, when we first started in the development of this business, of course, the rates we put in were experimental, and from time to time as the requirements presented themselves, or as necessity required we undertook to so adjust the rates that the lumber might be marketed in the territory on and north of the Ohio river. I prepared here a statement which I will submit later
727 as an exhibit, giving the history of the rates on yellow-pine lumber by comparison, each change as it occurred shown in parallel columns from 1887 down to the present time. This will give you the comparison of rates from southeastern territory as well as the comparison of rates from producing points on the Louisville & Nashville system.

Mr. Baxter: Will it also give the rates from Arkansas and Texas from which the principal competing lumber was carried?

Mr. Compton: No, I have not a history of those Arkansas rates. I sought this information from the records of the Interstate Commerce Commission at Washington to be used in this case, thinking it would be well to have a history of these rates. I did not get a history of the Arkansas rates. I am sorry now I did not. I could have got them as well as not but I have not got them.

Mr. Baxter: I think we have in the record at Macon a telegram or letter from Mr. Smith, the auditor of the Commission, giving the rates for a certain period from Arkansas, and we may use that. Well, these efforts that have been made from time to time by
728 your company and other southern lines to enable the Georgia and Florida lumber to get into the market north of the Ohio river, have they been successful or unsuccessful?

Mr. Compton: They have been successful.

Mr. Baxter: The reduction of rates from points in Georgia, except Group 1 on the Southern railway, whereby a rate from Georgia points to Cairo for beyond of 13 cents per 100 pounds was adopted—was any such favorable adjustment made to enable any other product from Georgia or Florida to move into that or any other territory?

Mr. Compton: No, sir.

Mr. Baxter: Mr. Compton, have you prepared as Exhibit C a

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statement showing the price of yellow-pine lumber in the Chicago market and also showing freight rates from Group 1 in Georgia to Chicago?

Mr. Compton: I have.

(The same is hereto annexed and marked "Exhibit C to Mr. Compton's testimony.")

Mr. Baxter: Does that show the rate as it existed from time to time and the prices as they existed during the same time?

Mr. Compton: Yes, sir.

729 Mr. Baxter: So that by looking at that paper you can see that as the rates went down the market price either went down or up, and so on?

Mr. Compton: Yes, sir.

Mr. Baxter: Now, without taking up the time of the Commission to read all the rates and all the prices contained in that exhibit, can you state generally whether it shows that the rates from Georgia, Group 1, to Chicago were kept in line substantially with market prices of lumber at Chicago?

Mr. Compton: Yes, sir. For example, I see that the statement shows that for the period from 1891—this comparison is from 1891 to 1903—I have used an average grade of lumber, which is set forth in the description. I have inserted in red ink, figures, showing the proportion the freight to Chicago bears to the value of the lumber. For instance, in 1891 the proportion of the freight to the value of the lumber was 37 per cent., while in 1902 and 1903 the proportion of the freight to the value of the lumber was 29 per cent.

Com'r Prouty: What grade of lumber do you use there?

730 Mr. Compton: I used "A," "B," and "C." "A" is first and second flooring. "B" is common flooring, and "C" is dimension timber under 12 by 12 and under 30 feet long. I used these grades for the reason that in making my comparison I had to take the grades for which I had the prices during the entire period. I used in the calculation of the freight per thousand feet what is called, or what is recognized as the standard weight of that class of lumber. For instance, what they call "B," my understanding is, and I think that is the understanding of the trade, that that averages 2300 pounds to the thousand feet. I used that in the calculations. That is set forth on the exhibit.

Mr. Baxter: What was the rate on box cars and the rate on flat cars prior to November 28th, 1891, as shown by the exhibit?

Mr. Compton: Prior to what time?

Mr. Baxter: November 28th, 1891?

Mr. Compton: On November 28th, 1891, the rate to Chicago was 24 cents. Just prior to that time the rate on flat cars was 28 cents per hundred pounds and on box cars 25 cents.

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Mr. Baxter: What was the average of those two rates—the
731 box-car rate and the flat-car rate?

Mr. Compton: The average was 26½ cents.

Mr. Baxter: That was the average on flat and box cars November 28th, 1891, when that rate was reduced there?

Mr. Compton: Yes, sir.

Mr. Baxter: Now, what is the present rate, including the 2 cents advance from Georgia Group 1 to Chicago?

Mr. Compton: The present rate is 26 cents.

Com'r Fifer: Is that the average rate?

Mr. Baxter: Yes, sir; we have but one rate now for box cars and flat cars. So the rate now on box cars and flat cars from Georgia Group 1 to Chicago is a half cent less than it was on November 28th, 1891, when that reduction was made?

Mr. Compton: Yes, sir; that is to say, the rate in effect in 1891 has not been restored by a half a cent.

Mr. Baxter: Now, during the third quarter of the year 1891, which was the quarter prior to November 28th, what was the price of lumber in Chicago as compared with the first quarter of 1903, when the advance of 2 cents per hundred pounds was determined upon?

Mr. Compton: The price of lumber had advanced $3.50 per
732 thousand feet; that is to say, that the average price at Chicago during the third quarter of 1891 was $15.50, while for the third quarter of 1903, the average was $19.

Com'r Fifer: Do you know what the advance was at the mill?

Mr. Baxter: It does not show that. Now, Mr. Compton, that exhibit shows that at the time the reduction of November 28th, 1891, was made, and which brought the rate down to 26½ cents, the price of lumber in Chicago was less than it is now for the quarter in which the recent advance of 2 cents per hundred pounds was made.

Mr. Compton: Yes, sir.

Mr. Baxter: Something has been said, Mr. Compton, about there not being as much of the southern yellow-pine lumber marketed at the present time in the territory on and north of the Ohio river as there has been in recent years; that there has been a falling off in the amount of lumber moving into that territory. Is that due to the fact that the rate has been advanced 2 cents per hundred pounds either in whole or in part? If so, to what extent?

733 Mr. Compton: I am not in a position, of course, to give information concerning the movement from all points in Georgia, because the Louisville & Nashville railroad does not handle all the business in Georgia. It is only a connecting line. But the information I have is to the effect that the business continues to move and in large quantities, though I believe the movement has slightly decreased, but I think that is due mostly to the fact that a great majority of the yellow-pine lumber is consumed by the manu-

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facturers of cars for the railroads and their business has become very dull. Their business is dull on account of the railroads not making purchases of equipment or contracts for equipment to the same extent they had before. For example, take the Louisville & Nashville. Last year that road built for itself 5,000 cars. We have less than a thousand to build this year. I think that is a fair example of the amount of building of cars by car manufacturers.

Mr. Baxter: How many cars did you say you formerly built?

Mr. Compton: Five thousand cars last year ourselves.

Mr. Baxter: And how many this year?

Mr. Compton: We have only a thousand ordered. We have a great deal of timber on hand towards building these cars
734 So the depression in the business is not due to any advance in the rate. I do not think it has had any effect whatever on the movement, that is, the rate itself. The depression in business is the thing which has caused the decrease in the lumber shipments. Now, I have spoken with respect to the lumber from Georgia. With respect to the movement of lumber from Alabama, in which the Louisville & Nashville railroad is a large factor, having a great many saw-mills on its road, probably as many as any other line—the business on our road has not decreased and shows a steady movement to the Ohio river and beyond.

Mr. Baxter: Have the rates on that lumber been increased to correspond with the rates on lumber from Georgia?

Mr. Compton: Yes, sir.

Mr. Baxter: Yet that lumber continues to move?

Mr. Compton: Yes, sir.

Com'r Clements: Are their rates the same that they are from certain groups in Georgia—I mean in Alabama?

Mr. Compton: The rates from the Louisville & Nashville railroad in territory south of Montgomery are the same as from what is called the standard group of Georgia; that is to say, the unit of
735 measure of the rate in the producing points on the Louisville & Nashville railroad.

Mr. Baxter: Have you Exhibit D?

Mr. Compton: I have.

Mr. Baxter: I wish you would file it as an exhibit to your deposition, and explain to the Commission what that shows.

Mr. Compton: This is a statement of lumber shipments from points in Georgia transported by the Louisville & Nashville railroad during the month of March to Ohio River points and beyond, and Michigan and Wisconsin, including lake ports. This exhibit shows the movement—I have made a memorandum of what it shows and I will read it because the statement itself to look at it does not bring out the facts as I would like to outline them. This is a key to it. I think it will be easy of understanding and I would like to read it. It shows the movement of yellow pine from points in Georgia dur-

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ing the month of March, 1903, by the Louisville & Nashville railroad, destined to points on the Ohio river and beyond other than lake ports and points in Michigan and Wisconsin, and also showing shipments to Michigan and Wisconsin and lake ports in those and other States. It shows the number of cars destined to Ohio
736 River points and beyond other than to lake ports and points in Michigan and Wisconsin, and the percentage of such cars to the entire movement. It also shows the cars destined to points in Michigan and Wisconsin and lake ports in those and other States and the percentage of such movement. It also shows the distination by States of the entire number of the cars and shows the proportion of said cars consigned to railroad companies and car manufacturers, together with the weight, and the percentage of such movement to the whole. It also shows the proportion of such cars consigned to other consignees with the weight and the percentage of such cars to the whole.

(The same is hereto annexed and marked "Exhibit D to Mr. Compton's testimony.")

Mr. Baxter: Now, what per cent. of that movement was destined to points in Michigan and Wisconsin and to lake ports in those and other States north of the Ohio river?

Mr. Compton: It shows that 44.9 per cent. of the cars were destined to points in Michigan, Wisconsin, and lake ports in those and other States.

Mr. Baxter: I wish you would state if all those cars were not subject to competition of lumber reaching the same points either wholly or partly by water?

737 Mr. Compton: They are located on the Great Lakes and reached by water and also reached by rail.

Mr. Baxter: Those points are reached by the white-pine lumber and hemlock of the Northern States as well as lumber from Canada, are they not?

Mr. Compton: Yes, sir.

Mr. Baxter: 44 per cent. of that movement was made in the face of that competition?

Mr. Compton: Yes, sir.

Mr. Baxter: What is the percentage, if your exhibit shows, of the lumber included in that movement that was going to railroad companies and car manufacturers?

Mr. Compton: The proportion consigned to railroad companies and car manufacturers was 63.2 per cent. and the proportion consigned to other consignees was 36.8 per cent.

Mr. Baxter: Now, that 63 and a fraction per cent. that you speak of, which was consigned to railroad companies and car manufacturers, of that per cent. how much would be affected by the recent cessation in the building of cars?

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Mr. Compton: Well, I think it would be fair to say, if the
738 railroad companies and car manufacturers did not have as many cars to build or as many orders on hand as previously, the purchases by them and the movement by the carrier would be decreased as this percentage bears—that is, this percentage would be decreased by such movement as the percentage bears to the total.

Mr. Baxter: I thought possibly some lumber ordered by the railroads would be used for trestles and structural work and not all of it, perhaps, for the construction of cars, so I did not suppose the 63 per cent. would be all taken up in the manufacture of cars.

Mr. Compton: I did not mean to say in my answer that this 63.2 per cent. would stop, but that it did stop to the extent the orders were lessened, and that percentage could be used in the calculation.

Mr. Baxter: What is your information with regard to the supply of white pine in the Northern States?

Mr. Compton: My understanding is that the white-pine forests are being depleted very fast. In fact, I have in conferences with the Michigan and Wisconsin lines from time to time discussed
739 with them that question of what they were going to get to pay them for the business which they lost in the transportation of white-pine lumber. I have heard them say it was a problem; that they did not know where to look for tonnage to make up for the losses that had occurred due to that fact.

Com'r Clements: In relation to this last table there is a question I would like to ask if it will not interrupt you. Your road and other roads reaching the Ohio river have a rule on consignments of lumber to points beyond the river that the railroad company may charge the local rate to the river and the local rate beyond—charge the two rates, instead of the proportion of the rate. As I understand, that is done and justified on the idea that many of these consignments to railroad companies are not in good faith; that is, they are consigned that way and are diverted and used for other purposes, and finally reconsigned to some other party. Is that a practice that cuts any figure in the business now?

Mr. Compton: Well, your honor——

Com'r Clements: What I mean is, would this 64 per cent., or whatever it is, consigned to car companies and railroads be diminished by taking out shipments that are not in good faith
740 used by railroad companies and car companies?

Mr. Compton: I do not think that the movement itself, that is, the consumption itself by the railroad companies or the car companies would have any effect whatever, for the reason that you could ship the lumber to a fictitious consignee. Whether the railroad companies ordered much or little lumber, you would have the same effect. I recall that when you wrote us about that matter some four or five months ago, we replied and set forth our reasons for charging to Cincinnati and other Ohio River crossings the full rate on lumber

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consigned to railroads. We felt that we were justified in doing that and we explained the matter fully to you, which I do not suppose you wish to have me state here. I wanted to answer the specific question now. The arrangement was in effect a long time. We had it in effect about 2 years, and it was a case of necessity. It was absolutely necessary for us to establish such a rule in order that the revenues of the southern lines might be held intact and not depleted by unscrupulous people by changing the destination. We have had meetings time and again to get the people to discourage that sort of practice and have used the best efforts at our command to
741 stop those irregular practices, but notwithstanding that, we seemed to be unable to get people to behave themselves. We were finally forced to do these things you wrote us about and I think it cleared up the situation to a very considerable extent and after consultation and after correspondence with you and with the Cincinnati Southern, the Southern railway and the Illinois Central railroad, we concluded to set aside the rule, and have done so. That occurred about 30 days ago.

Com'r Clements: The only point I was after now was to know how that practice, if it prevails to any extent, has effected these figures you have given and whether there would still be consignments to railroads that were not really for railroads?

Mr. Compton: So long as you have a variable proportion in the rate and have somebody that is unscrupulous and will do irregular things, it does not matter who the consignee is in order to manipulate a rate. I do not think whether the railroad companies would get less lumber or the car companies would use less lumber would have any effect on them.

Com'r Clements: Then, of what value is that statement you
742 have given of consignments to railroads?

Mr. Compton: It is of this value: The rule was established about 18 months or two years ago; that is, that we would charge to the Ohio river the full Ohio River rate, but when it was shown that these were *bona fide* consignees and that the lumber was used by the railroad company, we then by a refund gave back all money we had overcharged to the Ohio river. So, therefore, this is a fair exhibit; and I think you can say it is fair on this account also, that the irregular practices that had prevailed before were broken up, and I think that statement will give you a fair proportion of the lumber used by the railroad companies *versus* the lumber used by other consignees.

Com'r Clements: You think there are no shipments of that sort that ought to be taken out of this?

Mr. Compton: This is the movement by the Louisville & Nashville railroad. I do not hesitate to say that I believe every car-load of lumber on that list transported by the Louisville & Nashville railroad paid it its proper revenue. I was instructed by the presi-

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dent of our road personally, that if I found anybody manipulating lumber rates to break connections with them. I do not
743 think those conditions have prevailed since and for that reason I think that is a genuine statement.

Com'r Fifer: I understood you to speak of the disappearance of the white-pine lumber from the northern markets. Now, is it driven out of that market by the competition from this territory?

Mr. Compton: I do not think so. It is the depletion of the forests. The timber is gone. The timber has been cut away. I had occasion a few months ago to go South with a gentleman who is said to be the largest producer of white pine in Wisconsin. I went with him to Pensacola and he purchased 200,000 acres of yellow pine on our line. He is developing that. He told me he had cut out his lumber in Wisconsin. Mr. Russell A. Alger is interested in a plant at Century on our line that has 250,000 acres behind it. That is the reason he has come South.

Mr. Baxter: Have you prepared a paper marked "Exhibit E," Mr. Compton? If so, file that as an exhibit to your deposition, and explain to the Commission what it is.

Mr. Compton: Yes, sir; I have prepared an exhibit which I will file as "Exhibit E." It shows the rates on fir lumber in car-
744 loads and the distances from Pacific Coast points to Chicago, St. Paul, Omaha, Kansas City, St. Louis, Cleveland, Pittsburg, Cincinnati and Evansville. The points of origin are Tacoma, Washington, Portland, Oregon, and Seattle, Washington. I have shown the rate and the distance in each case. I have shown the rate per ton per mile from each point of shipment to each point of destination. I have shown the total of distances from all points of origin to each point of destination. I have shown the total of the distances and the total of the rates from all points of origin to each point of destination and I have shown the rate per ton per mile from all points of origin to each point of destination and the average of the rates from all points of origin to all points of destination, and the average rate per ton per mile from all points of origin to all points of destination. I find that the average rate is 53.9 cents per hundred pounds and the average rate per ton per mile is 4.65 mills.

(The statement is hereto annexed and marked "Exhibit E to Mr. Compton's testimony.")

Mr. Baxter: What is the average actual rate?

Mr. Compton: The average of the actual rates is 53.9 cents. The average mileage is 2316.5 miles.

745 Mr. Baxter: The highest actual rate from Georgia points to points on and north of the Ohio river is 36 cents, is it not?

Mr. Compton: I worked it out in this way, Mr. Baxter: I think

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it is fair in making your calculations and comparisons to take your average distances, your average rates, and your average rates per ton per mile. I have worked the Southeast out the same as I have worked this out and I am prepared to show by this information I have here together with similar information concerning the 26 points of origin in Georgia to the 39 representative points on and north of the Ohio river the average of the distance and the rate per ton per mile.

Mr. Baxter: What I want to get now before the Commission's mind is that the highest actual rate that has been mentioned as obtaining from either Georgia or Florida points to points on or north of the Ohio river does not exceed 36 cents, whereas the actual rates from Pacific Coast points into the same territory are very much higher.

The Chairman: That is, is there any destination point that carries a higher rate than 36 cents from Georgia or Florida points?

746 Mr. Baxter: None has been mentioned in this proceeding. The highest rate mentioned in my hearing from Georgia or Florida points has not exceeded 36 cents. That lumber is competing against California lumber that bears a rate of about 50 cents.

Mr. Compton: The highest rate I have from Georgia to any point of destination beyond the Ohio river is 34 cents.

The Chairman: Thirty-four?

Mr. Compton: Thirty-four. The rate to Milwaukee is 30 cents.

Mr. Baxter: From Georgia points, you mean?

Mr. Compton: Yes, sir.

Com'r Fifer: Are those rates maintained to these lake ports?

Mr. Compton: I did not understand your question.

Com'r Fifer: Do you know whether the rates to the lake ports were maintained during the time they were in force?

Mr. Compton: That is to say, the movement I have shown to the lake ports by this exhibit, or do you mean generally have the rates from the South to lake ports been maintained?

Com'r Fifer: That is the question.

Mr. Compton: I believe the rates have been maintained.

747 Com'r Fifer: Of course your exhibit is taken from the published tariffs. What is the actual fact? Have they been maintained?

Mr. Compton: I think so. I have no reason to doubt that. I can speak with absolute certainty and say that they have been maintained by the Louisville & Nashville railroad.

Com'r Clements: What period of time do you cover?

Mr. Compton: From the passage of the Interstate Commerce act. We never deal in irregularities.

Mr. Baxter: Have you prepared Exhibit F?

Mr. Compton: Yes, sir.

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Mr. Baxter: Please file that as an exhibit to your testimony and explain to the Commission what that is.

Mr. Compton: Exhibit F, which I will file as part of this answer, shows rates on pine lumber from points in Michigan to points in Central Freight Association territory. I have taken six representative points of origin and ten representative points of destination.

Mr. Baxter: Where are those points of origin located?

Mr. Compton: In the State of Michigan.

Mr. Baxter: And the points of destination?

748 Mr. Compton: They are located in Ohio, Kentucky, Indiana, Illinois and Pennsylvania.

Mr. Baxter: What are those rates?

Mr. Compton: Well, this shows the rates from each point of origin to each point of destination—from each point of origin to all points of destination; it shows the rates from all points of origin to each point of destination. It shows the mileages from each point of origin to each point of destination. It shows the total mileage from all the points of origin to each point of destination. It shows the total of mileages from all points of origin to all points of destination. It shows the average mileage from all points of origin to each point of destination and it shows the average of the mileages from all points of origin to all points of destination. It shows the average rate per ton per mile from all points of origin to each point of destination. It shows the average mileage from all points of origin to all points of destination, with this result, that the average rate is 15.1 cents per hundred pounds; the average rate per ton per mile is 7.8 mills; and the average mileage is 389 miles.

749 (The same is hereto annexed and marked "Exhibit F to Mr. Compton's testimony.")

Mr. Baxter: Now, how does the average rate per ton per mile charged by those roads in the Central Freight Association territory for the movement of lumber from Michigan to the points mentioned by you compare with the rate per ton per mile received by the Louisville & Nashville railroad on the yellow-pine lumber carried by it from Georgia points to points on and beyond the Ohio river?

Mr. Compton: They are very much higher—nearly twice as high.

Mr. Baxter: Have you prepared Exhibit G? If so file that as an exhibit and explain to the Commission what it is.

Mr. Compton: I have, and I file same herewith as part of this answer. It is a statement showing rates on lumber in car-loads from points in Minnesota and Wisconsin to Chicago. It shows the distances from each point of origin to Chicago.

(The same is hereto annexed and marked "Exhibit G to Mr. Compton's testimony.")

Mr. Baxter: How many points of origin does it show?

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750 Mr. Compton: Ten. It shows the rates from each point of origin to Chicago. It shows the rate per ton per mile from each point of origin to Chicago. It shows a total of the rates from all points of origin to Chicago. It shows the average rate from all points of origin to Chicago to be 10.8 cents per hundred pounds; the average distance to be 359.7 miles; and the average rate per ton per mile to be 6.03 mills.

Mr. Baxter: Now, how does the average rate per ton per mile on that lumber carried from points in Minnesota and Wisconsin to Chicago compare with the rate per ton per mile received by the Louisville & Nashville for carrying yellow-pine lumber from points in Georgia to Ohio River points and beyond?

Mr. Compton: It is materially greater per ton per mile than the Louisville & Nashville receives for the transportation of yellow-pine lumber from Georgia points to Ohio River points and beyond.

Mr. Baxter: Have you compiled Exhibit H?

Mr. Compton: Yes, sir; I have compiled Exhibit H.

Mr. Baxter: File that as an exhibit to your testimony and explain what it is.

751 (The same is hereto annexed and marked "Exhibit H to Mr. Compton's testimony.")

Mr. Compton: Exhibit H is a statement of rates applying on yellow-pine lumber from Ohio River crossings to representative points in Central Freight Association territory. It shows the rate from each of the Ohio River crossings to Chicago, Detroit, Cleveland, Indianapolis and Pittsburg. It shows the rate from each crossing to each destination. It shows the average mileage from all the crossings to each point of destination. It shows an average of the mileages from all the Ohio River crossings to all points of destination. It shows the rate per ton per mile from all the crossings to each point of destination. It shows the average rate per ton per mile from all of the Ohio River crossings to all the points of destination to be 6.52 mills.

Com'r Prouty: What is the average haul?

Mr. Compton: The average mileage to Chicago from all the crossings?

Com'r Prouty: Yes, sir.

Mr. Compton: Three hundred and fourteen miles and the average mileage from all crossings to Detroit 402 miles.

752 Mr. Baxter: The average rate per ton per mile contained in that statement represents the rate per ton per mile charged by the lines north of the Ohio river for transportation in what is called Central Freight Association territory.

Mr. Compton: Yes, sir.

Mr. Baxter: Now, how does that average rate per ton per mile compare with the rate per ton per mile received by the Louisville &

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Nashville railroad on yellow-pine lumber from points in Georgia to points on the Ohio river and beyond.

Mr. Compton: It is greater per ton per mile.

Com'r Clements: Those rates north of the river apply on local shipments as well as on the through ones?

Mr. Compton: Yes, sir.

Com'r Clements: Now, this side of the river, from Georgia points, on lumber carried by your road and delivered to Cincinnati or Louisville for final destination, they have a different rate, do they not? That is, you have a proportional rate to the river when the shipment is for beyond, do you not?

Mr. Compton: The rate is made on the sum of the rate to
733 the river plus the rate from the river. The lowest total thus obtained is the through rate. That business is sent by any crossing. Business to Chicago might be sent by either of the four crossings. The through rate thus obtained is equalized by all the cents, that 16 cents is the minimum rate that the lines south of the Ohio river obtain for the transportation of this property. To make it clear, for instance, suppose you take a point like Springfield, Illinois, which is immediately north of Cairo. The rate to that point is the rate to Cairo plus the rate from Cairo. That rate is thus obtained. If the business moves by Cincinnati it must pay the rate beyond Cincinnati, the rate from Cincinnati to Springfield.

The Chairman: Which would be more than the rate from Cairo to Springfield?

Mr. Compton: Yes, sir. Therefore, the line up to Cincinnati must accept less than 16 cents—the difference between the rate from Cairo to Springfield and the rate from Cincinnati to Springfield. If the difference was 5 cents, that is to say, if the rate from Cincinnati to
Springfield was 5 cents higher than the rate from Cairo to
734 Springfield then, the proportion up to Cincinnati would be only 11 cents.

Com'r Clements: If you had a shipment destined to Cincinnati and not beyond from the same point, what would the rate be?

Mr. Compton: The revenue accruing to the line south of the river on business handled to Cincinnati for a Cincinnati consignee would be a greater revenue per ton per mile than on the business if it went beyond.

Com'r Clements: What would be the through rate from some representative point?

Mr. Compton: Using Alabama for illustration?

Com'r Clements: Or Georgia.

Mr. Compton: I have that all worked out here.

Com'r Clements: What I want to know is, whether you have a local rate to Louisville and Cincinnati which is higher than the pro-

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portion of the through rate on business moving north by those same gateways?

Mr. Compton: The rate to Cincinnati is 23 cents from points on the main line of the Louisville & Nashville between Montgomery and Mobile. The rate to Chicago from the same points is 26 cents.

755 Com'r Prouty: What is the rate from Cincinnati to Chicago?

Mr. Compton: Ten cents. So, in that case the arbitrary from Cincinnati, Jeffersonville, Evansville and Cairo being the same, the proportions to the Ohio river would be the same by each crossing. That will occur wherever the arbitrary, that is, the rate from each Ohio River crossing to the same destination is the same. The proportions will never be the same unless the rates from the Ohio River crossings to the given point are the same. So, you might say that in all cases the rates or the proportions of the rates to the Ohio river differ, except to Chicago and Cook County Junction points and points that base on those points.

Com'r Pouty: And they are always less than your local to the river.

Mr. Compton: No, the rate per ton per mile is higher.

Com'r Prouty: I am not talking about the rate per ton per mile, but the rate from any given point to Cincinnati or Louisville for consumption there. Is not that more than the proportion to the same gateway on a shipment to a given point north?

756 Mr. Compton: I do not think I understand your question.

Com'r Prouty: You say that the rate to Cincinnati is 23 cents from some point in Alabama. By that you mean a shipment consigned to Cincinnati to stop there?

Mr. Compton: That is, of ours.

Com'r Prouty: Now, another car-load is shipped in the same train by way of Cincinnati to Columbus or Detroit. What do you get out of that?

Mr. Compton: We get less than we do on Cincinnati proper business.

The Chairman: That is your proportion of the through rate to any point north of the river is less than your rate to that point on the river where the traffic crosses?

Mr. Compton: Except where the rate from the southern point makes on the Cincinnati combination. In that event we would get on the business for beyond the same as to Cincinnati.

Com'r Prouty: If you had a shipment to Pittsburg you would get exactly the same as you would on Cincinnati business?

Mr. Compton: Yes, sir.

Com'r Prouty: That rate makes on Cincinnati?

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757 Mr. Compton: Yes, sir.

Mr. Baxter: Have you prepared Exhibit I? If so, file that as an exhibit to your testimony and explain to the Commission what it shows.

Mr. Compton: I have prepared an Exhibit I, which I will file as part of this answer. It is a statement showing the prices of yellow-pine lumber, grades and dimensions as described, delivered at St. Louis, Mo., from June 1st, 1899, to April 1, 1903. This gives the quotations in the St. Louis market for 20 periods, from 1899 to 1903 on 20 grades of lumber.

(The same is hereto annexed and marked "Exhibit I to Mr. Compton's testimony.")

The Chairman: Mr. Baxter, it is evident we cannot complete the examination of Mr. Compton tonight. Are you through with that exhibit?

Mr. Baxter: Not quite. What does that statement show with reference to whether there was an increase or decrease in the market price of lumber in St. Louis between June 1st, 1899 and April 1st, 1903?

Mr. Compton: It shows a marked increase in the prices.

Mr. Baxter: Does it not show a marked increase in every
758 description of lumber named in that exhibit?

Mr. Compton: It does.

Mr. Baxter: Now, the first 12 items of lumber described in that statement, what are they used for?

Mr. Compton: Well, I would say they are used for inside work.

Mr. Baxter: Are any of them used by railroad companies or car manufacturers?

Mr. Compton: Yes, sir; some of them.

Mr. Baxter: Well, we will stop here.

The Chairman: If it is convenient for you to suspend at this point we will adjourn until tomorrow morning at 10 o'clock.

At 4.45 o'clock, p. m. the Commission adjourned until 10 o'clock, a. m. October 30th, 1903.

759 ATLANTA, GEORGIA, *October* 30, 1903—10 a. m.

Commissioner Clements: Mr. Compton, you may resume the stand.

Mr. Compton resumed the stand.

Mr. Baxter: Mr. Compton, have you compiled a paper marked Exhibit "J"?

Mr. Compton: I have.

Mr. Baxter: Please file it with your testimony and explain to the Commission what it shows.

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Mr. Compton: I file this Exhibit "J" as part of this answer. It is a schedule of prices of bridge material as contracted for by the Louisville & Nashville railroad for the year 1903. It shows the sizes of the timbers required, the length.

Mr. Baxter: And shows the prices?

Mr. Compton: It shows the price per thousand feet.

Mr. Baxter: Are those the prices at the mills?

Mr. Compton: These are the prices at the mill at which
760 the railroad company takes the property. The millman gets this amount for the lumber.

Mr. Baxter: Something has been said in this case about railroad companies failing to furnish flat cars and other cars sufficient to move the lumber properly. I wish you would state how that has been so far as the Louisville & Nashville railroad is concerned?

Mr. Compton: So far as the Louisville & Nashville railroad is concerned, we, like other carriers for the last two or three years, have been very much pressed for equipment. But we have made special efforts to take care of the manufacturers on our own line first. We had no complaints whatever from our own people concerning equipment, and we were able to keep them quite fully supplied. So far as our connecting lines were concerned, we gave to them liberally of our equipment, and also liberally of the supply of cars which we received from northern connections to be brought South for loads. I think it is fair to say that the Louisville & Nashville railroad did very well indeed and hurt no one, but kept them well supplied. I say that for the reason that after we had concluded to advance our rates on March 1st two cents per hundred pounds
761 we thought that possibly we might do some producer an injustice; that perhaps on account of the car-supply question he might have been delayed in filling his contracts, and our management gave that matter very careful attention. They told me that they thought it would be best to take no chances on doing any one an injustice, and therefore we concluded that we would suspend these advanced rates, and did so on our own account and notified all interested. As soon as that was done we sent representatives of our traffic department to every producer on the Louisville & Nashville system to ascertain to what extent they had contracts and to what extent if any, they had been unable to ship because of the inability of the railroad company to furnish necessary equipment, and after going into that matter very carefully, after a very thorough and careful investigation, we concluded that we could advance our rates,—and hurt no one,—by April 1st. Some of the other roads made a similar investigation, and the consensus of opinion was that April 15th would give ample time for every one to clean up their contracts and get rid of their old shipments, whether contracts or delayed shipments on account of the inability of the

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carriers to deliver needed cars, and for that reason the
762 advanced rate was suspended.

Mr. Baxter: Mr. Compton, are lumber cars uniformly loaded to their full capacity?

Mr. Compton: No, sir.

Mr. Baxter: Have you compiled an Exhibit "K" upon that subject?

Mr. Compton: I have.

Mr. Baxter: Please file it as an exhibit to your testimony and explain to the Commission what it shows.

Mr. Compton: I file this as Exhibit "K" as a part of this answer. (Marked Exhibit "K"—C. B. Compton.) It is a statement showing the total number of cars of yellow-pine lumber hauled by the Louisville & Nashville railroad during the month of March, 1903, from the State of Georgia. The statement shows the number of each kind of car used, the percentage of each; the total capacity and the average capacity of the different kinds of cars, and the percentage the loading of the same bears to the capacity. It shows that the average loading of box cars containing lumber shipped from Georgia was 77.3 per cent. of their capacity. The average loading of
763 flat cars containing lumber shipped was 72.1 per cent. of the capacity of these cars, leaving 27.9 per cent. of such capacity unutilized by the shipper. It shows that five cars were used for the transportation of this property where four would have sufficed.

Commissioner Prouty: Does it show what the average loading was?

Mr. Compton: Yes, sir.

Commissioner Prouty: How much was the average loading?

Mr. Compton: Perhaps I had better read these figures Mr. Commissioner. I think I could give it to you more concisely. There were 655 cars of which 435 were box cars. The total capacity of those box cars was 24,223,000 lbs.; average capacity 55,685 pounds. The actual total loading was 18,726,876 pounds, and the average loading was 43,058 pounds. That was box cars.

The average loading of flat cars was 44,918 pounds and the average capacity of the flat cars was 62,296 pounds.

Commissioner Prouty: And how do you say those 655 cars were selected?

Mr. Compton: These 655 cars represent the movement.

Commissioner Prouty: In the month of March, 1903?

764 Mr. Compton: Yes, sir; in the month of March, 1903, of yellow pine from Georgia by the Louisville & Nashville railroad—the entire movement during that month. I made this analysis to develop the information that is in this statement in order that I might know something about it and know it in an intelligent way.

Commissioner Prouty: As to the recent increase of two cents per

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hundred pounds in the lumber rate from Georgia points to the Ohio river and beyond, was that increase confined to yellow-pine lumber, or did it apply to all lumber?

Mr. Compton: To all lumber.

Commissioner Prouty: Did the shippers have any previous notice of the intention of the L. & N. railroad to increase its rates—its lumber rates?

Mr. Compton: The shippers, the producers and consumers, knew of this matter, that the advance in rates was contemplated; that it had been talked of and discussed a long time before we made it.

Commissioner Clements: Was that 650 cars in March a
765 fair average or sample of the movement of this business from Georgia, or was it abnormal one way or the other?

Mr. Compton: Well, I cannot answer definitely about that—that is, as to whether that is a representative month. I think we may assume it is, but I cannot assert positively that it is. But if we take the movement of one month, whether the movement was large or small in the number of cars, that is to say, in the total movement, I could get the averages that I sought from that movement, whether it was large or small, because it would come out in these percentages as to the loading of the equipment, no matter whether it was large or small.

Mr. Baxter: Have you compiled an Ehibit "L"?

Mr. Compton: I have.

Mr. Baxter: Please file it as an exhibit to your testimony and explain to the Commission what it shows. State the substance of it as briefly as you can, Mr. Compton.

Mr. Compton: I file Exhibit "L" as a part of my answer. (Hereto attached and marked Exhibit "L"—C. B. Compton.) I will try to make my explanation of it as brief as possible. I have pre-
766 pared this data in such shape, both by statements and by map illustration, and it contains so much information, so much of the information that the Commission has asked for in the last two or three days, that I feel that I will be justified at the risk of detaining the court a little to set forth as briefly as I can just what is to be found in the statements. I will leave attached to the statement this memorandum (indicating). This is a statement showing the proportion accruing to lines south of the Ohio River crossings, Cairo to Cincinnati inclusive, in the division of rates on lumber from southeastern territory to points of destination named.

The exhibit shows that the average of the rates per ton per mile on lumber accruing south of the Ohio river from 26 representative points of origin in Georgia and Florida to 32 representative points of destination in Illinois, Wisconsin, Ohio, Indiana, Pennsylvania and New York, via all of the Ohio River crossings, is 5.17 mills.

The statement shows the specific rates from representative points of origin in Georgia and Florida, each of which is enumerated, and

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fairly represents the points of origin or grouping of shipments of yellow-pine lumber.

767 Commissioner Prouty: Let me interrupt you. You say the statement shows the divisions accruing south of the river. Is that under the present rate or under the rate before the advance?

Mr. Compton: That is under the rates today. The statement shows also the rate from each of said points of origin to each of said points of destination.

The statement also shows the proportions accruing south of the Ohio river from each of said points of origin to each of said points of destination.

The statement also shows the rate per ton per mile accruing south of the Ohio river from each of said points of origin to each of the Ohio River crossings.

The statement also shows the average of rates per ton per mile accruing south of the Ohio river from all of said points of origin to each of said points of destination.

The 32 points of destination are fairly representative of the territory north of the Ohio river in which southern yellow pine is marketed.

The statement also shows the average of the through rates
768 from each of said — of origin to all of said points of destination. It shows the distance from each of said points of origin to each of said Ohio River crossings.

The statement also shows the proportions accruing south of the Ohio river from each of said points of origin to each of said destinations, via each of said Ohio River crossings.

The statement shows the average of the mileage from each of said points of origin to each of said Ohio River crossings.

The statement also shows the total of the proportions accruing south of the Ohio river to each of said Ohio River crossings.

The statement also shows the average of the proportions accruing south of the Ohio river to each of said Ohio River crossings.

The statement also shows the rates per ton per mile from each of said points of origin accruing south of the Ohio river to each of said Ohio River crossings.

The statement also shows the average of the rates per ton per mile from each of said points of origin accruing south of the Ohio
769 river to all of said Ohio River crossings.

The above is summarized in a recapitulation, which shows the total distance from all of said points of origin to each of said Ohio River crossings. The shortest distance by any available line was used in making these calculations.

The recapitulation also shows the total of the proportions accruing south of the Ohio river from all of said points of origin to each of said points of destination via each of said Ohio River crossings.

The recapitulatiou also shows the average of the distances south

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of the Ohio river from all of said points of origin to each of said Ohio River crossings.

The recapitulation also shows the average of the rates per ton per mile accruing south of the Ohio river from all of said points of origin to each of said points of destination via each of said Ohio River crossings.

The recapitulation also shows the average of the rates per ton per mile accruing south of the Ohio river from all of said points
770 of origin to each of said points of destination, via all of said Ohio River crossings.

The recapitulation also shows the average of the through rate from all of said points of origin to all of said points of destination.

The recapitulation also shews the total of the mileages to each of said Ohio River crossings from all of said points of origin.

The recapitulation also shows the total of the proportions accruing south of the Ohio river from all of said points of origin to each of said Ohio River crossings.

The recapitulation also shows the average of the proportions accruing south of the Ohio river from all of said points of origin to each of said Ohio River crossings.

The recapitulation also show the average of the proportions accruing south of the Ohio river from all of said points of origin to each of said points of destination, via all of said crossings.

771 The recapitulation also shows the average of the proportions accruing south of the Ohio river from all of said points of origin to all of said points of destination, via all of said Ohio River crossings.

The recapitulation also shows the average of the rates per ton per mile from all of said points of origin to all of said points of destination, via each of said Ohio River crossings.

The recapitulation also shows that the average of the rates per ton per mile accruing south of the Ohio river from all of said points of origin to all of said points of destination, via all of said Ohio River crossings, is 5.17 mills.

This exhibit is illustrated by a map showing the location of the points of origin and the routes over which the business is handled to the points of destination mentioned. The idea was to set forth these facts in statement form, illustrated by a map, in order that we could present them in an intelligent form, so that this basis, which is peculiar in itself and different from any other that we have in the Southern States might be understood, because it is thought by some that a rate to Cairo—that
772 is, an alleged rate to Cairo—is less for the same distance or less distance than the rate to Louisville and Cincinnati. Now that is not the fair test of the reasonableness of that rate or of the reasonableness of the through rates on yellow pine from southeastern territory to this territory north of the Ohio river. The test of this

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rate is the reasonableness of the rate as compared with rates on the same product from this territory, from Mississippi and from Arkansas; that is to say, from the belt of territory reaching from the Atlantic ocean east and west, say south of Macon and south of Jackson, Mississippi, probably in extent a thousand miles east and west. To this territory of destination we have these conditions: Arkansas has the short line to Cairo, Illinois. The rates from Arkansas invariably based on Cairo. That was a fixed factor. That was the measure of the rate. Now, when we came to fix our rates from east of the Mississippi river to these destinations north of the Ohio river, fixing the rate by the competition which was potent from Arkansas, measured on the Cairo rate, we had to take notice of that. We have from this country down here,
773 (indicating) southeastern territory, uniformly for years carried the same rate to each of the Ohio River crossings. We carry the same rate from each of the Ohio River crossings to this southeastern territory. The rates to the river plus the rate from the river is the measure of the total. The rate southbound is the rate to the river plus the rate from the river. That measures the total.

Commissioner Fifer: Does the adjustment of the tariff north and east of the Ohio river result in a division of the territory between the Arkansas and Georgia and Mississippi and Alabama producers? Is that not the practical effect of it?

Mr. Compton: You mean of the Middle States?

Commissioner Fifer: Illinois, Indiana, Ohio, and portions of Pennsylvania, Michigan and Wisconsin.

Mr. Compton: On the contrary, this measure of the rate was for the purpose of uniformity, and it has that effect. It can have no other effect. Take the rate, say, to Louisville, to Cincinnati, and to Evansville; those rates from this territory were so adjusted in the beginning and are so adjusted now that lumber moved freely to
774 these points of consumption and competition with all kinds of lumber. Using those rates to the river plus the rates from the river, we found that our total rate from this country to the Middle States was higher in total by that combination than was the total from Arkansas by the Cairo gateways. Now, what did we do? We did not undertake to fix a rate to Cairo because Cairo was a point of consumption or because of any desire to favor an adjustment of rate to Cairo or with any desire or intention to depart from our basis of constructing rates on combination using the same rates to all crossings, but to make a total to the points of destination in the Middle States so that the rate in no case would be higher than the rate from Arkansas to the same point. The method is peculiar but it is a wise one and entirely defensible because it is justified. We have let this pine come into the territory of consumption on a basis of competition. We have produced for this territory the same rate or a less rate in many cases for a greater distance. We

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have amply protected this territory and given them reasonable rates. There is no case where the standard rate from this territory to the Middle States is higher than it is from Arkansas.

775 There are many cases where rates are lower for the reason that the rate from Arkansas to Cairo, plus the rate from Cairo to Evansville, Louisville and Cincinnati will make a higher rate from Arkansas, or from Texas to those points than the continuous rate from Georgia to those points.

Commissioner Prouty: Perhaps you have some exhibit showing it, but I will ask you what I asked Mr. Green. Suppose the rate from southeastern points to Cincinnati were 20 cents, what effect would that produce on rates north of the Ohio river? In what territory would it reduce those rates from the present rate?

Mr. Compton: The measure today is the difference between 16 and 23 cents, a differential of 7 cents.

Commissioner Prouty: It is a matter of subtraction of course, but I ask you as a practical rate man, what territory would be affected if the rate to Cincinnati were 20 cents. That is to say, what rates would make on Cincinnati instead of making on Cairo?

Mr. Compton: I will give you an approximation. The differential is seven cents between Cairo and Cincinnati—the

776 building rate, not the rate itself. As it is now, the measure of the rate is the total of the Cairo combination. That total is produced to a territory on and north of a line drawn diagonally across the State of Ohio, say from Cincinnati over to Sandusky or Akron to Buffalo. The rates west of there uniformly make on the combination through Cairo. They make on Cairo to the extent of a difference of about from 2½ to 4 cents. The Cairo combination on an average would be about 3 to 4 cents less than the combination on Cincinnati. So, therefore, if you reduce the rate to Cincinnati from 24 cents to 20 cents, you would probably reduce ten per cent. of your points in the State of Ohio. I may be wrong in that; that is a guess, but I give you my reason for that statement.

I have had occasion to look into the question of lumber rates and divisions recently, and I took the State of Ohio. I took the map and picked out representative points to show to what extent these rates measured themselves on the different Ohio River com-

777 binations, and to measure the revenue that we would get on that business to each Ohio River crossing and beyond, and I figured that it would be about ten per cent. I may be wrong. You cannot take a tariff, or you cannot take a map and figure the rate and tell to what extent that would affect your revenue. You cannot tell how many cars will move—whether there will be an equal number of cars to each point, but to the territory of consumption I think it is a safe estimate to say under 20 per cent.

Commissioner Prouty: My question was that if the rates to Cincinnati were reduced to 20 cents, and to Louisville to 18 cents—

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where they were in 1891—what effect would be produced on the rates north of the Ohio river. Mr. Green thought it would affect the rates in the State of Ohio and a large part of the rates in the State of Indiana. It is evident that it would affect rates near the Ohio river more than it would rates at points distant from the Ohio river. You say the line would be a diagonal line running northeast and southwest.

778 Mr. Compton: Yes, sir. I think Mr. Green and myself are pretty close together on that. I am uncertain whether your question was as to the effect upon Ohio only or north of the river. That is only one State. I think it would affect say not more than 20 per cent.

Commissioner Prouty: 20 per cent. of all the rates north of the river?

Mr. Compton: Yes, sir.

Commissioner Prouty: I thought you meant 20 per cent. of the rates in Ohio?

Mr. Compton: No, sir. 20 per cent. of the rates north of the Ohio river.

Commissioner Prouty: I notice that the statement you put in showing the movement of lumber in the month of March from Georgia showed a movement of more cars to the State of Ohio than to any other one State. I think there were 169 cars to Ohio and not as many to any other State. I may be wrong. It is not necessary to take the time to look that up.

Mr. Compton: I was going to say this: that these rates were put in primarily to develop this country; that is develop the
779 yellow-pine territory. The rates were uniform to the crossings. They might not have been the same in cents. The differential or distances may have cut a little figure, but practically the rates were the same to each of the crossings. When we found that somebody was getting in against us, we didn't change our rates to the Ohio river: we didn't change our rates to Cairo. The rates of the Louisville & Nashville today are no lower than to Evansville. Somebody has said we would measure the rate to Cairo on, say, 13, 14, 15, 16, or 17 cents with Evansville six cents higher. We all know that so far as Cairo is concerned on the basis of the use of lumber that you cannot justify that, but we know what we did when we had level rates there and we wanted to get into territory north of the river. We simply produced the same total the other man had and used this peculiar method for producing the total.

Commissioner Prouty: The manufacturer of lumber in Georgia you think has just as much to gain by going into territory directly north of Cairo as he loses by allowing Arkansas to go into territory in Ohio north of Cincinnati; is that your idea?

780 Mr. Compton: I don't want to break into other exhibits that I have here but I am prepared to show by these ex-

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hibits—and they are made from rates that are on file in the office of the Interstate Commerce Commission at Washington—I am prepared to show by these exhibits that the short distance on an average is from Arkansas; not from down here. You cannot measure one point. You must measure all.

Commissioner Prouty: Do you mean that the short distance to the State of Ohio is from Arkansas?

Mr. Compton: No, sir.

Commissioner Prouty: That is what I was talking about.

Mr. Compton: But, Mr. Prouty, we have done this: We have made a uniform rate. What I mean by "uniform" is that the rate is no higher than the Arkansas rate. That is what we have done. Now when we come over here where the Arkansas distance is three or four hundred miles shorter than ours, we have come up into their back yard. Now when they want to come over here a little and all want to do business we blanket this territory on a
781 reasonable adjustment of rates, bearing in mind the competition in the product and measuring the rates by these conditions and setting aside mileage; that is the way to measure the reasonableness of this rate. It don't make any difference as to the distance to Cairo.

Commissioner Prouty: You assume that the combination on Cairo from Arkansas is in all cases a reasonable rate?

Mr. Compton: I think, and I have for years, that the Arkansas rate is unreasonably low.

Commissioner Prouty: And you assume, no matter how far east that goes, that the combination on Cairo in all cases produces a reasonable rate?

Mr. Compton: No, I didn't say that.

Commissioner Prouty: That is about what your contention comes to?

Mr. Compton: I didn't mean to be so understood. And it is not my contention. My contention is that when we measure this total rate from this pine belt to east of the Mississippi river as against the rate from Arkansas and Texas, Texas is two cents higher than
782 Arkansas. You take a fair rate per ton per mile from all to all and you measure those things, you measure the competition of the product and measure the distance; it seems to me that is the measure of the reasonable rate. It is the total rate you are after, and all you are after and it is not the contention that somebody down here in some particular little corner, east or west of the river, has one cent more than the measure of the rate. That is a condition that may be peculiar to him. That probably can be satisfactorily claimed. The contention is, as I understand it, or the question is, are these rates reasonable in and of themselves today? Are they reasonable and just as measured by competition from other

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parts of the country on the same product? I think that is the measure of a reasonable rate in this case.

Mr. Baxter: Mr. Compton, have you prepared an Exhibit "O," being a statement showing rates on lumber in cents per hundred pounds?

Mr. Compton: I have.

Mr. Baxter: Explain to the Commission what that exhibit shows.

783 Mr. Compton: I will file this Exhibit "O." (Hereto attached and marked Exhibit "O"—C. B. Compton.) It is a statement showing the rates on lumber in car-loads from southern territory to northern and western points; showing the distances, the averages, and the rate per ton per mile, and other information which I have blocked out here in a memorandum attached in order to show what the exhibit means. This statement covers the same points of origin as shown in that statement (Exhibit "L"). The rates through to destination are shown in the statement—the same 32 points of destination as shown in Exhibit "L" are in here, with the addition that I have put in the rates to Ohio River points. In working this data up I didn't think it would be fair to do anything except to pick out representative points and to show the rates to the Ohio river and the rates per ton per mile received on that business to those points of destination via all crossings; that is, make a fair statement of destination and a fair statement of origin and show these rates from points of shipment to destination in this exhibit, and the per ton per mile rate through to destination via each crossing and via all crossings, and the average of the whole. This
784 is different from that statement (Exhibit "L"). This shows the through rate and the rate per ton per mile through to destination whereas that statement shows the rate per ton per mile received out of these rates to the Ohio river; that is, the proportion of the through rate to the Ohio river and this is the proportion received in the rate per ton per mile through to destination; that is to say, the rate per ton per mile which the lines receive for transporting the business.

Mr. Baxter: What is that average rate per ton per mile for carrying lumber from points of origin to points of destination shown via all crossings?

Mr. Compton: To sum up the total it shows that the average rate per ton per mile from all points of origin to destination by the short line to be 6.2 milis, or 6.21 mills per ton per mile.

Mr. Baxter: Have you prepared Exhibit "Q"?

Mr. Compton: I have.

Mr. Baxter: File that as an exhibit to your testimony and explain to the Commission what it is intended to show.

785 Mr. Compton: Exhibit "Q" is a statement showing the rates on lumber in Arkansas, Texas, and Louisiana, together

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with the mileage from the representative points of origin to thirty-nine points of destination. They are the same points as shown in the previous exhibits, and they are representative points of consumption—rates on yellow-pine lumber, and from the same points as referred to in my Exhibits "L" and "O."

Mr. Baxter: What does that show the average rate per ton per mile to be?

Mr. Compton: This shows that the average rate per ton per mile on business from Arkansas and Louisiana to the same points of destination is 6.59 mills.

Mr. Baxter: Against 6.21 mills from Georgia points to the same points of destination?

Mr. Compton: Yes, sir. I should have said that the average short-line distance from southeastern territory to these destinations is 906 miles; the average rate per ton per mile is 6.21 mills. The average distance from Louisiana and Arkansas to the same points of destination is 846 miles and the average rate per ton per mile is 6.59 mills.

786 Mr. Baxter: Have you prepared Exhibit "T"?

Mr. Compton: I have.

Mr. Baxter: Please file that as an exhibit to your testimony and explain to the Commission what it shows.

Mr. Compton: I will file Exhibit "T." It is a statement showing the rate on lumber in car-loads from Texas and Pacific Railroad stations in Texas, Louisiana and Arkansas to Missouri River points; also to Colorado common points, with the distances from representative points in the lumber-shipping district. To sum it up it shows that the average rate per ton per mile from all points of origin to all points of destination on the Missouri river to be 7.37 mills.

Mr. Baxter: That is, as against 6.21 mills, from points in Georgia and Florida to the same points of destination?

Mr. Compton: Yes, sir.

Mr. Baxter: Have you prepared Exhibit "TT"?

Mr. Compton: Yes, sir; I have. I have prepared Exhibit "TT."

787 Mr. Baxter: Please file that also.

Mr. Compton: I file that also. It shows the rates on lumber in car-loads in cents per hundred pounds from Texas & Pacific Railroad stations in Texas, Louisiana and Arkansas to what are known as Colorado common points, and also to New Mexico. It shows the average rate per ton per mile to be 8.31 mills as against 6.21 mills received by the roads transporting lumber from Georgia and Florida points to points north of the Ohio river.

Mr. Baxter: Exhibit "O" will show the rate per ton per mile from Georgia and Florida points to points on and north of the Ohio river.

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Mr. Compton: 6.21 mills from southeastern territory as compared with 7.37 to the Missouri river from Texas territory and 8.31 to Colorado common points from Texas territory.

Mr. Baxter: Now, Exhibit "F," which you have heretofore filed, as you say, shows that the average of the rates per ton per mile on lumber from six representative points in Michigan to ten
388 representative destinations in Kentucky, Indiana, Illinois, Pennsylvania and Ohio was 7.08 mills using the shortest rail distance. That is shown in Exhibit "F" which you have heretofore put in.

Mr. Compton: Yes, sir.

Mr. Baxter: Have you Exhibit "N"?

Mr. Compton: Yes, sir.

Mr. Baxter: Please file that as an exhibit to your testimony and explain what it means.

Mr. Compton: Exhibit "N" is a statement showing the proportions which are the regular tariff rates accruing to the lines north of the Ohio river from Cairo to Cincinnati inclusive and the division of the rates on lumber from southeastern territory to the points of destination named. These rates are shown in the specific figures. In other words they are the tariff rates from those Ohio River crossings to the same 32 points of destination shown in the other exhibits. They are what are known as the tariff rates and it has been worked up in detail, a memorandum of which I attach hereto to show what it is, what it means. To sum it up it means this, that the average rate per ton per mile is 6.91 mills.

389 Mr. Baxter: If I understand, all roads north of the Ohio river receive as their proportion for transporting this lumber which originates in Georgia and destined to points north of the Ohio river, what is equivalent to 6.91 mills per ton per mile?

Mr. Compton: Yes, sir.

Mr. Baxter: Whereas the southern roads receive as their proportions for carrying the lumber up to the Ohio river how much?

Mr. Compton: 5.17 mills.

Mr. Baxter: The northern lines get nearly two mills per ton per mile more than we do?

Mr. Compton: Yes, sir.

Mr. Baxter: For transportation of lumber?

Mr. Compton: Yes, sir.

Mr. Baxter: Have you Exhibit R?

Mr. Compton: Yes, sir.

Mr. Baxter: Please file that and explain to the Commission what it is.

Mr. Compton: I file that with a memorandum.

(Hereto attached and marked Exhibit R).

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Mr. Compton: It is a statement showing rates on lumber
790 in car-loads from Michigan and Wisconsin points to Missouri River points. It gives in detail rates from representative points of origin in Michigan and Wisconsin to Missouri River points, points in Missouri, Kansas, Nebraska and Colorado. It shows the total of the rates and the distances and the averages of all kinds, with the result that the average rate per ton per mile is 7.1 mills. This is illustrated by a map attached, so as to make an easy comparison.

Mr. Baxter: Have you Exhibit S?

Mr. Compton: I have.

Mr. Baxter: Please file that and explain to the Commission what it contains.

Mr. Compton: It is an exhibit showing rates on lumber in carloads to New York city from thirty representative points of shipment north of the Ohio river in the States of Ohio, Indiana, Illinois, Wisconsin and Michigan. It shows in detail the distance by the shortest line available, the rate, the rate per ton per mile from each point of shipment. It shows the total of the distances produced, for the purpose of getting an average. It shows the total of the rates produced, for the purpose of getting an average. It shows
791 the rate per ton per mile from each point of shipment produced. It shows as the result that the average distance is 911 miles; the average rate is 25.6 per hundred pounds, and the average rate per ton per mile is 5.6 mills.

Commissioner Clements: Is there any considerable movement of lumber that way, Mr. Compton?

Mr. Compton: Yes, sir. It is a different class of lumber. There is a good deal of lumber produced in Indiana, Wisconsin, Michigan, Indiana, and Ohio which moves to the eastern seaboard. There is not so much in Illinois, because that is a prairie country. We know there is a movement from southern Illinois, however.

Commissioner Prouty: The principal movement would be from Wisconsin and Michigan to New York city?

Mr. Compton: There is a great deal of hard wood in Indiana that is moved in different shapes.

Commissioner Prouty: That is used for interior finishings?

Mr. Compton: There is a big territory in southern Indiana that produces poplar. There is a territory in there that produces a great deal of hard wood that is marketed.

792 Commissioner Prouty: That is expensive lumber, is it not, selling for from $40.00 to $60.00 a thousand feet, used for interior finishings? Lumber that sells for a low rate is not moved from Indiana to the eastern seaboard? Lumber that sells at the prices which this southern pine sells is not sold, is it?

Mr. Compton: There has been a movement for years from that

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country of poplar and other woods to the eastern market; that moves in a continuous movement.

Commissioner Prouty: What other woods move?

Mr. Compton: Oak—a lot of it.

Commissioner Prouty: Used for interior finish?

Mr. Compton: Possibly.

Commissioner Prouty: And which retails from $40.00 to $100.00 a thousand feet?

Mr. Compton: Possibly.

Commissioner Prouty: The freight rate on that would not necessarily be a fair comparison with the freight rate on this cheap, southern pine?

Mr. Compton: I think it would. I think the freight rate on that is a fair comparison.

Commissioner Prouty: Are your rates the same on poplar
793 and walnut—hard wood—over your line?

Mr. Compton: The rates over our line apply on all woods except walnut and cherry. They have not any of that down in this country.

Mr. Baxter: Have you prepared Exhibit U?

Mr. Compton: I have.

Mr. Baxter: Please file it and explain what that contains.

(The same is hereto attached and marked Exhibit U—C. B. Compton.)

Mr. Compton: It is a statement showing the rates on lumber from points in Georgia to points beyond the Ohio river; also showing the divisions of the rate, and the rate per ton per mile. I have given in detail the distances, the prorating distances, the division of the rate, and the rate per ton per mile.

Mr. Baxter: Does that exhibit show the rate per ton per mile received by the southern trunk lines, such as the Louisville & Nashville railroad, in transporting lumber from Georgia to points on and north of the Ohio river?

Mr. Compton: Yes, sir; it shows the proportion that every line gets that handles the business.

794 Mr. Baxter: How low do those proportions run?

Mr. Compton: 3.3 mills per ton per mile.

Mr. Baxter: Have you prepared Exhibit V? If so, file that and explain to the Commission what that means.

(The same is hereto attached and marked Exhibit V—C. B. Compton.)

Mr. Compton: Exhibit V is a schedule of prices paid for yellow-pine lumber of various dimensions by the Louisville & Nashville railroad.

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Mr. Baxter: You mean purchased by the Louisville & Nashville railroad?

Mr. Compton: Yes, sir; purchased by the Louisville & Nashville railroad during the years 1901, 1902, and 1903, from mills whose names are shown on the memorandum; the dimensions and the prices that were paid are shown, and the year and month of such purchases. In other words, it is a detailed statement prepared from the books of the purchasing agent to show the prices paid for lumber by the Louisville & Nashville railroad for the three years named.

Commissioner Fifer: What was the ruling price during each of the three years named? I would like to know.

795 Mr. Compton: To give you an example, I will take the first column. For 5½ x 14 inches x 36 feet, in January, 1901, we paid $12.00 per thousand. In September of the same year we paid $14.00; in March, 1902, $14.00; in July of the same year $16.00; in January to March, 1903, $18.00. That is a fair statement of what the average will be, I think.

Commissioner Fifer: For each month during the three years is shown?

Mr. Compton: No; but what I have called is a fair representative of what the statement shows. It shows in detail the month in which the quotation was made in 1901, 1902, and 1903, in parallel columns, showing the measurements and prices and the name of the party from whom purchased. I did not make an average of this, because I did not see how I could, for there is a difference in the sizes of the timber, and I thought the figures would show for themselves.

Commissioner Fifer: Does that include all the lumber you bought?

Mr. Compton: The amount of lumber purchased is not shown, but only the prices that were paid. There is no detail in the statement concerning the amount of lumber we took at those figures.

796 Mr. Baxter: Have you prepared Exhibit W?

Mr. Compton: Yes, sir.

Mr. Baxter: Explain to the Commission what that shows and file it as part of your testimony.

(The same is hereto attached and marked Exhibit W—C. B. Compton.)

Mr. Compton: That is a comparison.

Mr. Baxter: Rates on lumber at present effective from southern territory to Ohio River crossings, and also rates which have been effective from time to time in comparison with present rates?

Mr. Compton: I have prepared a statement showing the rates on lumber (Exhibit W) at present in effect from southern territory to Ohio River crossings; and also rates which have been effective from

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time to time to Ohio River crossings, and a comparison of present rates with old rates. In other words, this is a history of these rates as far back as the records can be obtained, from the files of the Interstate Commerce Commission at Washington. In undertaking to compile the data I found that our records of the tariffs issued
737 by the southeastern lines were not complete. We aim to keep a copy of the tariffs of these lines, but there are so many of them and the roads have changed so much, I thought our record was not in such shape that I could make an intelligent comparison so that I could swear to it. Therefore I got the data from the office of the Interstate Commerce Commission, and I have prepared this in detail, in parallel columns, in as intelligent a way as it was possible for me to do. The rates have been reduced to averages, so it will be a matter of easy comparison.

Mr. Baxter: That shows a history of the rates as far back as January, 1887, does it not?

Mr. Compton: Yes, sir.

Mr. Baxter: State to the Commission whether the average of the present rates from Georgia and Florida points to points on and north of the Ohio river is greater than the average of former rates that were in force?

Mr. Compton: The average of the rates today is less than those in effect in former years.

Com'r Clements: What former years? To what period do you refer in the term "former years"?

Mr. Compton: I have endeavored to produce the state-
738 ment this way: I took the history of the rates as far back as I could get the records, to give the specific figures to each of the Ohio River crossings, and then took the average to ascertain whether or not these rates were as high as before, to find out what was the status of the present rate as compared with former rates. I have done that with each Ohio River crossing.

Commissioner Clements: The general average of this year, the present rate, is to be compared with how many years and what years—each year separately from 1887, or have you grouped the years?

Mr. Compton: It is not produced that way, Judge. The comparison is made this way: Taking rates in effect to all of these crossings, there is here, for instance, using this first group to illustrate. Here are the rates in effect in 1888, in specific figures; then in 1892 and so on; showing one change in 1892, then another change in 1892, one in 1893, one in 1894, one in 1895, one in 1899, another in 1899, and on June 22, 1903. There are the changes that occurred in the rates from each group, giving the average of the year and the average of the whole, in order to ascertain
739 whether or not the average of today is less or more than the average of the rate which was previously in effect or at one time in effect.

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Commissioner Fifer: A low tariff may have remained in force longer than a higher tariff, might it not? A low tariff may have remained in force unchanged much longer than some higher tariff?

Mr. Compton: Yes, sir; that might have occurred, but still that would not cut any figure in making up the average. For instance, suppose we had a rate, for example, of 50 cents to Chicago. Suppose that ran for four years. Then suppose we had a rate in there of 25 cents a hundred, and that ran two years. There is only one way to get that average—to divide it by 2, not by 4 and 2. The way to get at it is to get the average of the rates, to take the rates in effect before, the specific rates and compare them with the specific rates today, and get the averages. That is the only way you can get at it intelligently, to ascertain whether this is a restoration or whether it is an advance.

Commissioner Prouty: What you are really aiming at is to find out whether this lumber from southeastern territory to points
800 of destination pays a higher or lower rate than it did at some previous time?

Mr. Compton: Yes, sir.

Commissioner Prouty: It does not throw much light on that question to add together Cairo and Louisville and Cincinnati and Evansville and divide the sum of those rates by four unless you know which gateway this lumber moves through.

Mr. Compton: It is not made that way. We compare the rate to Cairo to-day with what it was before. We compare the rate to-day to Louisville and Evansville and Cincinnati with what it was before.

Commissioner Prouty: That is all right; but suppose this lumber did move through Cincinnati and the rate through Cincinnati is 5 cents higher to-day than in 1891. If this lumber all moved through Cincinnati it paid more freight money than it did in 1891, although your rate down to Cairo may be ten cents lower than in 1891.

Mr. Compton: I didn't catch the last part of your suggestion.

Commissioner Prouty: I say if this lumber all moves through Cincinnati or through some point which makes on Cincinnati it pays more freight money than it did in 1891?

801 Mr. Compton: No, sir.

Com'r Prouty: Why not?

Mr. Compton: That cannot be.

Com'r Prouty: If the rate was 20 cents to Cincinnati in 1891 and if this lumber all moves to the State of Ohio and if the rate to the whole State of Ohio were higher to-day, then would not this lumber pay more freight money to-day than then?

Mr. Compton: No, sir; less.

Commissioner Prouty: Why not, if the rate to Ohio is higher?

Mr. Compton: We take the total rate from the point of shipment to destination. Now, what do we do with it. We take it to the

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river; we give it to our connection at the Ohio river. We
he connection the local rate. We have to shrink our rate.
lon't get the local rate.
mmissioner Fifer: It would be true as to lumber consumed
ncinnati or distributed from there.
Mr. Compton: There is no distribution from Cincinnati.
Com'r Prouty: If this lumber actually moves through
Cincinnati to Ohio it pays more freight money than it would
rate was 20 cents, does it not?
Compton: I did not understand that that was the proposition
put. My understanding of your suggestion was this: You
the question as to whether or not we get more money now
we ever did before, or whether we get less. I say we get less
now than we did before, not only by Cincinnati, but by all
ngs.
n'r Prouty: That depends on the destination of the lumber.
Compton: Wherever there is a variation between the rates
of the river to a given point of destination you have got a
ble proportion to the Ohio river. You must allow the roads
of the river to deduct the remainder.
n'r Prouty: These shippers down in Georgia are not interested
question as to how that rate is divided. What they are inter-
in is the total amount they pay to get the lumber to destina-

Mr. Compton: That is the contention I am making.
Com'r Prouty: If the rate were 20 cents to Cincinnati, as
in 1891, the total amount of money they would have to pay
their lumber to market in the State of Ohio, would be less
they did pay.
Compton: Separate the two propositions if you please; that
question of how much we get to the river and the comparison
al rates. I am prepared to give you any comparison that you
care to have. I am prepared to give you any rate to destina-
any proportion you wish. In other words, I have data to
t to you in answer to any question you may ask as to a rate
sion.
n'r Prouty: Well, take the rate to Columbus. Take the rate
some point on the Georgia Southern & Florida to Columbus.
is the rate now?
Boatright: Thirty cents.
n'r Prouty: What is the arbitrary from Cincinnati?
Compton: Let me answer that.
n'r Prouty: Certainly.
Compton: The rate is 30 cents.
n'r Prouty: What is the arbitrary from Cincinnati to Co-
us?

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804 Mr. Compton: The arbitrary is 7½ cents from Cincinnati.

Com'r Prouty: Now, in 1891, what was the rate after November, 1891, from this same station on the Georgia Southern & Florida to Cincinnati? Mr. Culp said it was 20 cents.

Mr. Compton: From where?

Com'r Prouty: From this same station—from all stations on that road—take it in January, 1892.

Mr. Compton: From the G. S. & F.?

Com'r Prouty: Yes, sir.

Mr. Compton: From that part of the G. S. & F. railroad called No. 3—22 cents.

Com'r Prouty: Is that what it was then?

Mr. Compton: Yes, sir. Mr. Culp testified as to rates from the Southern railway. Now, you are asking me as to the G. S. & F. I have two groups of the G. S. & F. I will ask Mr. Cutler, what do you carry between Macon and Valdosta? Is that your Group 1?

Mr. Cutler: Yes, sir; it is 1 cent higher than from the Southern.

Mr. Compton: Your rate would be 24 cents?

Mr. Cutler: Twenty-four.

Mr. Compton: And prior to that was 20?

805 Mr. Cutler: Twenty-two.

Com'r Prouty: When was your rate 22?

Mr. Cutler: Prior to this advance.

Com'r Prouty: What was the rate in 1892? It was 20 cents, then, was it not?

Mr. Compton: Can we not get at it in this way? The advance was 4 cents.

Com'r Prouty: That is what I say. The rate in 1892 was 20 cents to Cincinnati. The man running a mill at Valdosta pays 2½ cents more today than he did in 1892 to Columbus.

Mr. Compton: Yes, sir; that is true. I have stated that. We have not stated anything but the facts. On an average the rate today is less than it was before. You cannot pick out Columbus, Ohio. You cannot pick out Steubenville, Ohio, and points like that. I can give points where the Louisville & Nashville and Cincinnati Southern roads get no benefit whatever. You have got to take an average. It may be that a rate from some particular point might have changed as you suggested. That is true, but on the whole, we hold these rates down. What for? For the purpose of meeting this competition from Arkansas. That is why we do it. You take it on

806 the whole and take those comparisons from these producing territories and you will find that Georgia has a rate which is less, distance and other things taken into consideration, than the rates from Arkansas.

Com'r Clements: You have in that statement the years 1888 and 1889 and down to the present time. Have you 1887 also?

Mr. Compton: I have got the Louisville & Nashville from 1887.

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have got that very complete. I ran across this trouble in getting history of these rates: I found that the railroads had changed ownership and had changed names. I found that some railroads were born after 1887, so I had to get the history of some one of them—or the history of the rates—so that I could make it continuous from 1887 down.

Com'r Clements: When was the 13 cents put in at Cairo to meet the Arkansas rate?

Mr. Compton: You mean when was the 13-cent rate used? Before that a less rate than the Cairo rate was used. I can give you the date of the issue of the 13-cent rate, but a 13-cent rate to Cairo is not the first time we tried to get in against Arkansas. The first time we put in a 13-cent rate was in 1894, but that is not the first basing rate we put in for the purpose of meeting Arkansas competition.

Com'r Clements: On what rate did you meet it before?

Mr. Compton: The first time that a less than the standard Ohio River rate was made to Cairo, it was made in 1892. That was made 7 cents.

Com'r Clements: Prior to that was there any considerable movement of this Georgia pine to the Ohio river and beyond?

Mr. Compton: Yes, sir; prior to that the rate was 20 cents to Louisville, Cincinnati, Evansville and Cairo. On the 17th of March we let the Cincinnati, Louisville and Evansville rate remain and reduced Cairo 3 cents. That was in March, 1892. That is the first time there was a variation from what is known as the standard rate to Ohio River crossings. That is the first time we had any difference. That difference was not made because we wanted to make Cairo less than some other point. It was made for the purpose of producing a total rate from this territory in competition with the other

Com'r Clements: Prior to that had these southern producers got in there?

Mr. Compton: Yes, sir. This adjustment of rates in the development of this pine industry in the South, which we have endeavored to encourage, changed necessarily from time to time. I have been personally connected with it for over 25 years and we have endeavored to get this product into the Northern States. Our first trouble was this: When we first commenced to ship yellow pine, it was a question as to whether or not it could be marketed as against what was considered a superior product produced in the North—Michigan. We had a great deal of contention as to the merits of these woods as against the others. We used this wood ourselves to prove its merit. We went to our friends in a systematic way to develop the industry and to set forth the value of this timber especially for car timber. We did not stop at developing this timber for our own use, but wherever we

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had any influence, we tried to use that influence to get people to use this yellow pine. We had much higher rates than to-day. We moved business on those rates and moved considerable business on those rates and the business has been continuous by the Louisville & Nashville railroad for more than 14 years, and I know before that time we handled this north bound lumber to
809 Louisville when I was a clerk in the freight office.

Com'r Clements: It does not seem fair to use the high rates that we published in 1887, 1888 and 1889 if there was no considerable business done there. I understood Mr. Culp and other witnesses to say that the 13-cent rate to Cairo was put in order to let the southeastern people into that territory, and that it was necessary to do it, and the inference is that they had not done much of that business before.

Mr. Compton: Here is the record and you can verify it. It is here in black and white.

Com'r Clements: That does not show what was done in those years.

Mr. Compton: This rate was first reduced below the standard Ohio River rate in 1892. In 1893 it was made 16 cents, when destined to Illinois points. In 1894 when we had considerable depression, everybody was in trouble. The Arkansas lines had reduced their rates to 13 cents to Cairo. Now, what were we going to do. I will say for the Louisville & Nashville railroad that we wanted our timber put into that market against Arkansas.

810 Com'r Clements: What had the Arkansas rates been prior to that?

Mr. Compton: They had been low for years.

Com'r Clements: You say they reduced the rate to 13 cents. What was the rate before?

Mr. Compton: Their rate had been 17 cents.

Com'r Fifer: When did the Arkansas roads make the 13-cent rate?

Mr. Compton: As I said before, I have not got the Arkansas rates, but I know this 13-cent rate was put into effect at Cairo when their rate was 13 cents, and this condition of adopting 13 cents as the basing rate was made in order to help these gentlemen to market their product in the Middle States. That was a concession. It was done for the purpose of aiding them, keeping them in the market. I only mention that to show that we have endeavored all the time to give them a total rate which would be no higher than the total rate from Arkansas. We have tried to keep this product in the northern market, based on commercial conditions, based on competition in product. You cannot measure the reasonableness of these rates by distances to a given point. You have to take the whole situation, it
811 seems to me. You have got to measure the reasonableness of your rate as against the other man's rate to destination.

Com'r Prouty: Your claim is that while you may have advanced

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e rate to Columbus and kindred points, you have reduced it some-
here else, so that on the whole they get to market cheaper than
fore?

Mr. Compton: Yes, sir; that we have done no one an injustice,
t, on the contrary, we have used a peculiar method of producing a
tal rate in order that they might enjoy the competition as against
oducing points in other parts of the country. When you look at
it is a peculiar thing; but notwithstanding it is peculiar it has the
fect of making a uniform rate from all the yellow-pine producing
rritory, except where you may have some local condition on some
e where you have perhaps grouped a rate differently from what
u have at some other place. But if you take the adjustment from
rkansas, Louisiana, Mississippi, Alabama, Georgia and Florida, and
nsider the fact that this is a territory 700 miles wide and you have
territory of destination in, say, five or six States, and when you
produce a total rate that will give each of these producing
2 points a rate level, a rate no higher, a rate approximating—
because you cannot always make it the same—but approximat-
g the rate from the lowest producing territory, it seems to me that
at is a measure of a reasonable rate, a reasonable adjustment.
'e have not anything like it and it is done simply to help the
uthern people market their product north of the Ohio river. You
ay find here and there a change by advance, but on the whole
ese are not a restoration of previous rates, and are fairly adjusted,
think, as related to other producing territories.

Mr. Baxter: Have you prepared a statement, marked "Exhibit
"?

Mr. Compton: I have.

Mr. Baxter: Please file that and explain what it is.

(The same is hereto annexed and marked "Exhibit X to Mr.
ompton's testimony.")

Mr. Compton: It is a statement showing rates on lumber at present
ffective from southern territory to Chicago, Ill., and Indianapolis,
nd., and a comparison of the present with former rates. I prepared
is statement, taking two representative points north of the Ohio
ver to show the variation in the rates back as far as I could get a
history. I assumed in the beginning that what would be
13 true of the Ohio river would be true of all points north of the
Ohio river, so I took the rates to these two points to show that
hat was true of the Ohio river was true of the territory north of
he Ohio river.

Mr. Baxter: That corroborates your position?

Mr. Compton: Yes, sir.

Mr. Baxter: And shows that the average of the present rates is
ot as much as the average of the former rates?

Mr. Compton: Yes, sir.

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Mr. Baxter: That goes back to the first of January, 1887, also?

Mr. Compton: Yes, sir.

Mr. Baxter: I understand you have expressed the opinion several times in the course of your examination that these rates from Georgia points to points on and north of the Ohio river are just and reasonable. Is that so?

Mr. Compton: Yes, sir; that is so.

Mr. Baxter: If you have any additional reasons to give for that opinion, I wish you would state them now.

Mr. Compton: I have tried in considering this case and in giving my answers and reasons to show the reasonableness of these
814 rates by demonstrating it in statements and by maps. I have endeavored to show that they are reasonable rates based on facts. I tried to use that measure of reasonableness, believing that that was a fair measure to use. Now, I have done this: I have summed this matter up by a comparison of exhibits and my conclusion from this comparison is that, based on all conditions, that is market conditions, distances, etc., the rates in themselves and the rates per ton per mile are reasonable. I want the credit of filing this as an exhibit.

(The same is hereto annexed and marked "Exhibit Y to Mr Compton's testimony.")

Mr. Compton: It shows that from southeastern territory to the Ohio river on yellow-pine business from Georgia that the average rate per ton per mile is 5.17 mills; from the same territory through to destination in Central Freight Association territory the rate per ton per mile is 6.21 mills; from Texas and Arkansas to the same destination as from the southeast the rate per ton per mile is 6.59 mills; from Texas to the Missouri river the rate per ton per mile is 7.37 mills; from Texas to Colorado and New Mexico the rate per ton per mile is 8.31 mills; from Michigan to Central Freight
815 Association territory the rate per ton per mile is 7.8 mills; from Ohio river to Central Freight Association territory the rate per ton per mile is 6.91 mills, and to points in Exhibit H from the Ohio river the rate per ton per mile is 6.52 mills; from Minnesota and Wisconsin to Chicago the rate per ton per mile is 6.03 mills; from Michigan and Wisconsin to the Missouri river the rate per ton per mile is 7.1 mills; from Pacific coast to Central Freight Association territory and Missouri river the rate per ton per mile is 4.65 mills; and from Central Freight Association territory to Trunk Line territory, that is, New York, as a representative point the rate per ton per mile is 5.6 mills. That comparison convinces me that the rates on yellow-pine lumber from southeastern territory are reasonable in and of themselves.

Com'r Prouty: Can you tell me the distance from Valdosta to Cincinnati by the short line?

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Mr. Compton: I think so (referring to papers). From Valdosta to Cincinnati by the short line is 714 miles.

Com'r Prouty: How much is that per ton per mile—24 cents?

816 Mr. Compton: 6.7 mills.

Com'r Prouty: Now, that would be higher than most of the averages you have here. (Referring to Exhibit Y.) For instance, from Michigan to the Atlantic seaboard it is 5.6. To compare it with the Pacific coast would not be fair of course.

Mr. Compton: No, I do not think that would be fair.

Com'r Prouty: From Minnesota and Wisconsin to Chicago it is 6.6. From the Ohio river to Central Freight Association territory is a very much shorter haul?

Mr. Compton: You will note there are two comparisons from the Ohio river to Central Freight Association territory. Perhaps I had better explain that. At the Macon hearing I used that exhibit and used some representative points to get the rate per ton per mile. In making these new exhibits I used 32 representative points from all points of origin in the South and in subdividing the proportions south of the river and north of the river I used that as an additional exhibit. I thought I ought to make my record here entirely consistent with the other record.

Com'r Prouty: Now, considering simply that rate from Valdosta to Cincinnati, on what basis do you say that is a reasonable

817 rate, a rate that is so much higher than the average rate you obtain in southern territory.

Mr. Compton: I would say the rate to Cincinnati is a reasonable rate. I say that because there is no other producing territory that sends business to Cincinnati—yellow pine—at a less rate except where you may have these little differences in groupings here in Georgia. I speak of the standard rate. From Texas to the same points, or from Arkansas to the same points the rate is 27 cents.

Com'r Prouty: What is the distance?

Mr. Compton: I have used in fixing the Arkansas figures what is known as Cotton Belt Group No. 11, and that rate to Cincinnati is 27 cents. The distance is 722 miles. Mind you, that is a 3 cents higher rate for only 8 miles greater distance than the short-line distance I have given from Valdosta. Strange as it seems—in summing up these figures I was astonished myself to find out these facts concerning distances—the distance from Arkansas to this territory is shorter than from Georgia. You would think from looking at a map that Georgia is nearer.

Com'r Prouty: You say the Cincinnati rate in your opinion is reasonable because no other lumber gets in there at a less

818 rate?

Mr. Compton: I think that is a fair measure of reasonableness; yes, sir. These rates were made to the Ohio river in order that our southern producer might enjoy those markets. He had an

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advantage there and always has had. We never placed him at a disadvantage at the Ohio river. We would not do that. We have placed him in a position north of the Ohio river where nobody is less than he is and some people are higher; in other words, the minimum rate always.

Com'r Prouty: Does southeastern Georgia go to all Ohio River points for local consumption at a less rate than Arkansas, or how far west is that true?

Mr. Compton: You speak now of Ohio River crossings?

Com'r Prouty: Yes, sir.

Mr. Compton: I think they all are. The rate to Louisville from the same group is 27 cents for a distance 615 miles from Arkansas. To Evansville the distance is 512 miles and their rate is 23 cents. The way the totals are constructed from Arkansas, the combination on Cairo makes a higher rate than we carry.

Com'r Prouty: The Cincinnati rate from Arkansas would be the Cairo rate plus the arbitrary from Cairo to Cincinnati?

819 Mr. Compton: Yes, sir.

Com'r Clements: If your rate is a reasonable one because they do not get in for any less, theirs is reasonable because you do not get in for less, is it not? How does that sort of comparison help us at getting at what is reasonable?

Mr. Compton: I say, based on conditions, that is, the condition of this country and taking into consideration the fact that everything that enters into the cost of transportation has materially increased—you cannot mention anything that has not increased—we thought that a slight increase in the freight rate would be highly reasonable and I believe it is. The conditions seemed to us to justify that change. I do not hesitate to say that I was in favor of it. I tried to get an advance of 2 cents in these rates.

Com'r Clements: You could not make it effective until you got the Arkansas people to agree to do the same thing, could you?

Mr. Compton: I never had any conference with them.

Com'r Clements: Is not that a necessary fact, that you could not make it effective unless they did the same thing?

820 Mr. Compton: I could not say anything else, but "yes," to that. The Louisville & Nashville will not let Arkansas reduce its rates without taking notice of it.

Com'r Clements: But in this case it was necessary to get them to increase their rates, was it not?

Mr. Compton: There was a general talk around about these rates. You could not do otherwise. That is entirely right.

Com'r Clements: Of course, you are entitled to give your reasons. I just wanted to get at the facts, what was done and how it was done.

Mr. Compton: All the rates went up at the same time except the

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rates from Arkansas. Theirs advanced August 15th. Ours advanced June 22d.

Com' Prouty: About what was the stock of the Louisville & Nashville worth on January 1st, 1898?

Mr. Compton: I do not know what the quotations were on L. & N. stock at that time, but I will get them and give them to the Secretary.

Com'r Prouty: And let us know what the same stock was worth in January, 1903.

Mr. Compton: Yes, sir. What you want is the market quotation.

521 Com'r Prouty: Yes, sir. I do not expect you to give your reasons as to the reasonableness of those quotations.

Mr. Baxter: Take Tifton, Ga., I understand that to be a point on the G. S. & F. railway in what is known as Group 1, is that so?

Mr. Compton: That is my understanding.

Mr. Baxter: (Exhibiting diagram to witness.) Now, take the four Ohio River crossings shown on that diagram, Cairo, Evansville, Louisville and Cincinnati. Now, take Springfield, Ill., Indianapolis, Ind., and Columbus, Ohio: that is, three points of destination north of the Ohio river. Is it not true that a man shipping a car-load of lumber from Tifton to Columbus, Ohio, pays the same total rate whether that car actually moves through Cincinnati, Louisville Evansville or Cairo?

Mr. Compton: Identically the same, and he has those four routes available.

Mr. Baxter: If he ships a car-load from Tifton to Indianapolis, does he not pay the same total rate whether that car-load moves through Cincinnati, Louisville, Evansville or Cairo?

Mr. Compton: Yes, sir.

522 Mr. Baxter: Suppose he ships another car-load from Tifton to Springfield, does he not pay identically the same rate whether that car moves through Cincinnati, Evansville, Louisville or Cairo?

Mr. Compton: Yes, sir.

Mr. Baxter: That is all.

Com'r Prouty: Do you allow the shipper to route his traffic now?

Mr. Compton: This is from Tifton, not an originating point on our line. On shipments from there we recognize the shipper's route.

Com'r Prouty: Recognize the shipper's route?

Mr. Compton: Yes, sir; except we might have a case like this: Suppose we brought empty cars south from a connecting line north of the river, we would expect those cars would be returned to the railroad that furnished them to us empty. It would not be fair otherwise. It is expected. The shippers understand this and so do the carriers, that the equipment will be routed back.

Com'r Prouty: I noticed on several tariffs the notation that the carrier reserved the right to route the traffic, that is why I asked the question.

Mr. Compton: The Louisville & Nashville takes business
823 from Tifton, Ga., and routes it as its connection gives it to it. We observe their routing. At the initial points they may have their rules, but I think they do reserve the right to route their business.

Com'r Prouty: The fact that the shipper can go through any of the Ohio River crossings does not make any difference to him, it is no advantage to him?

Mr. Compton: I think it is an advantage to him and I think it is an advantage to the consignee—a decided advantage.

Com'r Fifer: Do you allow the shipper of lumber that originates on your line to route his own shipments?

Mr. Compton: No, sir. I will give the reason if you desire it.

Com'r Prouty: If you route the traffic, the fact that you can move this traffic through any one of four crossings is to your advantage and not to the advantage of the shipper.

Mr. Compton: I did not say that the Louisville & Nashville moved lumber by all these crossings. I answered Mr. Baxter's question as to whether the shipper could use these crossings. The Louisville & Nashville does not run to Cairo. We send the business by Evansville, Louisville and Cincinnati, but some other line serving
824 Tifton, Ga., does use the Cairo gateway. My response was to Mr. Baxter's question whether or not the business could or did move by these crossings.

Mr. Baxter: The object of my question was to show that it was utterly immaterial to the shipper what the rate from Tifton to Evansville, Louisville, Cairo or Cincinnati, proper, was. It is no concern to him. He gets through either crossing at the same rate, does he not?

Mr. Compton: Yes, sir.

Com'r Clements: Take the most easterly point, the through rate is the rate to Cincinnati plus the local beyond?

Mr. Compton: No, sir; it makes on Cairo.

Com'r Prouty: It makes a difference to the shipper if the rate is low enough to Cincinnati so the Columbus rate bases on Cincinnati?

Mr. Compton: But you cut the other rates down to keep them on an equality.

Com'r Prouty: Mr. Culp testified that in his opinion if a rate of 17 cents were put in to Cincinnati it would not reduce the rate to Cairo for the time being.

825 Mr. Compton: I would like to answer a question like that.

Com'r Prouty: Suppose a rate of 20 cents was put into Cincinnati.

Mr. Compton: I think the rates from Arkansas would be reduced.

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Com'r Fifer: Do you think the same relation would be maintained whether they are higher or lower?

Mr. Compton: As I said awhile ago I will not consent for the Arkansas rates to be less than our rates and they have the same right that I have.

Com'r Prouty: Their rates to Cincinnati now are not as low as yours.

Mr. Compton: I know.

Com'r Clements: Did you say that you did not attend any of the conferences by which these rates were advanced?

Mr. Compton: With the Arkansas lines?

Com'r Clements: Yes, sir.

Mr. Compton: The first meeting we had concerning this yellow-pine matter was in St. Augustine, I think, the fourth week in January. We had a little talk around about the situation and we
826 all concluded we would think the matter over.

Com'r Clements: Who were the parties to that talk in a general way—what class of roads generally?

Mr. Compton: The St. Augustine talk?

Com'r Clements: Yes, sir.

Mr. Compton: We were sitting in an office or a meeting room. There was, I think, Southern railway, the Illinois Central, the Louisville & Nashville—well, I suppose there were six or eight of us. It was an informal talk.

Com'r Clements: Roads carrying from points east of the Mississippi river?

Mr. Compton: Yes, sir.

Com'r Clements: What had you gone there to talk about—this?

Mr. Compton: No, sir; the St. Augustine meeting was a meeting of the Southeastern Freight Association, and this lumber question was not connected with that meeting at all. It was an entirely separate thing. We were off from the Southeastern Freight Association meeting to the side amongst ourselves. We did not go there for the purpose of discussing lumber rates. It was brought up incidentally.

Com'r Clements: What was the outcome of that?

827 Mr. Compton: We said we would think about the thing, and my recollection is that we all thought the rates had been on a pretty low basis and that an advance would be justifiable. I felt so, and do now.

Com'r Clements: And so far as you remember all the others did?

Mr. Compton: I did not hear anybody say we ought not to have more money.

Com'r Clements: Well, what was the understanding next?

Mr. Compton: That is the only thing I had to do with the matter, that is, directly. The next time the matter was brought up it

was at New Orleans. I was not at that meeting. Our general freight agent, Mr. Goodwyn was there and the matter was talked over at that time.

Com'r Clements: Do you know in a general way whether they agreed to meet and talk it over again or take any further step?

Mr. Compton: No, sir.

Com'r Clements: There was a subsequent meeting after that about it, was there not?

Mr. Compton: They discussed the matter at New Orleans.

828 Subsequent to the New Orleans meeting there was one held at St. Louis.

Com'r Clements: Were you at that?

Mr. Compton: No, sir.

Com'r Clements: Who was there for your road?

Mr. Compton: I think Mr. Goodwyn, the general freight agent.

Com'r Clements: And it was at that meeting that the general understanding was had, was it, that these rates should be advanced by all lines?

Mr. Baxter: The witness has not said there was any such general understanding.

Com'r Clements: One witness said yesterday that they agreed to publish rates on a certain day.

Mr. Baxter: I did not understand any witness to say that they agreed to anything.

Com'r Clements: They agreed to the time.

Mr. Baxter: I have not understood any witness to say they agreed.

Com'r Clements: Mr. Green's testimony is in the record, and he said that they cannot publish them all on the same day without an understanding to do it. He is here and can answer for him-

829 self.

Mr. Baxter: I simply said I had not understood this witness or any other witness to say there had been any agreement with reference to these rates.

Com'r Clements: There might be a difference of opinion as to what is an agreement, or what is an understanding.

Mr. Baxter: I was simply objecting to your honor using the term "agreement" as if he used it.

Com'r Clements: What word shall I use, if they did not understand or agree—that they "declared?"

Mr. Baxter: I would no more undertake to dictate to your honor in reference to such a matter than I would be willing to submit to your putting into the witness' mouth language he did not use.

Com'r Clements: Will you tell us, Mr. Compton, what they did at that meeting.

Mr. Compton: I was not present at the St. Louis meeting.

Com'r Clements: You are in charge of the traffic of your road and I suppose received some instruction or information from those who

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ld attend that meeting, or some information as to what was to be done.

580 Mr. Compton: After the St. Augustine conference I had a conference with Mr. Goodwyn—he is our general freight ent—and I told him I thought it desirable on our part to get an dvance in our rates on yellow-pine lumber. Our people seemed to think it was reasonable that we should have an advance. So far as the advance in the rates is concerned, I say to you that we had no agreement with anybody to advance these rates, and what the Louisville & Nashville did it did of its own accord, and I say further that I personally suspended the advance of these rates until March 1st, because we all thought we ought to get the lumber out. I acted independently. I have acted in no other way. I will say that I am under no restraint in handling the traffic of the Louisville & Nashville road.

Com'r Clements: Had you made up your mind to advance the rates on your road without regard to what the Arkansas roads did, whether they advanced theirs or not?

Mr. Compton: I do not see how we could very well carry higher rates.

Com'r Clements: I do not either, but one step, the inference seems to be from all you say, in order to effect your own increase 581 was to get the Arkansas roads to advance theirs. Is that so?

Mr. Compton: They were conferred with. There was free consultation.

Com'r Clements: For what purpose?

Mr. Compton: Everybody expressed their views.

Com'r Clements: Would you put up your rates if they had not declared that they were going to put up theirs at the same time?

Mr. Compton: I do not see how we could carry a higher rate. I have the right to.

Com'r Clements: You would not have done it?

Mr. Compton: I would not carry rates on the Louisville & Nashville higher than from Arkansas.

Com'r Clements: You would not put them up unless they declared that they were going to put up theirs?

Mr. Compton: I would not.

Com'r Clements: Would they put up theirs if you had not declared that you were going to put yours up.

Mr. Compton: I do not know whether they would or not.

Com'r Clements: Was not the outcome of the St. Louis conference and these other conferences—the net result—that they 582 declared to put theirs up and you declared to put yours up?

Mr. Compton: The net result was that the Louisville & Nashville through its officers, took under consideration the advisability of changing these rates months prior to January. The result

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was that after that consideration they did advance the rates and they are in effect today.

Com'r Clements: Did they give your road to understand that they would do it, and did you give them to understand that you would do it? Did you not inform one another? Did you not inform one another that you were going to do it?

Mr. Compton: I did this: when I suspended the advance until March 1st, I gave every line interested in the movement of yellow pine traffic, notice of that. When we advanced our rates we gave everybody notice what we were going to do and likewise they gave us notice what they were going to do, and if I were going to suspend our rates tomorrow I would notify every road in the South and would notify the Arkansas lines and would notify the shippers.

Com'r Clements: But you did not give them notice that you were going to advance the rate until they had given you
833 notice that they were going to advance theirs—I do not mean written notice, but they informed you that they were going to advance theirs?

Mr. Compton: They notified us that they were going to advance their rates and we notified everybody that we were going to advance ours.

Com'r Clements: I am not talking of the written notice but of the declaration.

Mr. Compton: The declaration is given in writing.

Com'r Clements: By whom were they given?

Mr. Compton: By the general freight office.

Com'r Clements: To whom?

Mr. Compton: They were given to other lines.

Com'r Clements: To the Arkansas lines and all other lines in this business?

Mr. Compton: It is a matter of public notoriety that we give to everybody. We notified everybody. They did the same for us.

Com'r Clements: Did you do that in any other way than by filing a tariff with the Interstate Commerce Commission and publishing it along your line?

Mr. Compton: We furnished the tariffs to your office.

834 Com'r Clements: Is that what you have reference to when you say you notified all of them?

Mr. Compton: Oh, no. I say when we change our rates we notify the people that we change them.

Com'r Fifer: When you served the written notice on the other roads, did you know at that time or have reason to believe that they had already determined to advance the rates so far as their road was concerned?

Mr. Compton: Yes, sir; I suppose we did.

Com'r Fifer: What was the object of the formal written notice?

Mr. Compton: Well, I felt this way about it: if we are going to

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give advice to anybody of our intention, we had better do it in writing. These verbal notices or notices by telephone are not the proper way in my opinion to transact business; we ought to notify the people in black and white of what our intentions are. That is the reason they do those things.

Com'r Clements: Was not the advance in these rates by lines east of the Mississippi river and west of the Mississippi river, of which notice was given by all lines at the same time, the result of
35 the conference and understanding—the conferences and talks had between these competing lines in their meetings at St. Louis and elsewhere?

Mr. Compton: I think the rates from the territory east of the Mississippi river took effect about the same day. I am not certain about that.

Com'r Clements: They were notified to take effect the same day, were they not, or at the same time?

Mr. Compton: No, we advanced our rates on yellow pine in June——

Com'r Clements: The original notice was to do it on the first of March. That is what I am talking about.

Mr. Compton: I want to speak of the June and August advances and then go back to March. The Louisville & Nashville advanced on June 22d. The lines west of the river did not advance until August 15th. In the advance of March 1st, I think the lines east of the river advanced the same day.

Com'r Clements: Had not the Arkansas lines given notice that they would at the same time?

Mr. Compton: I think they had but cannot say as to the day. Now, those were suspended.

Com'r Clements: Were not these notices for the advance of rates on March 1st, the outcome of these conferences?

36 Mr. Compton: There is no question but what the advance of these rates was made by the lines that made it on thought and consideration.

Com'r Clements: Did you do it before you ascertained whether the lines west of the river were willing to do the same thing?

Mr. Compton: I think the notice was given by them that they proposed to change their rates.

Com'r Clements: But did you determine to advance yours whether they did it or not?

Mr. Compton: I do not believe that rates this side of the river can be carried higher than rates west. Therefore, the consequence is I would not carry a higher rate than they.

Com'r Clements: And you did not do it in fact until you talked with them, or until your representative talked with them and found that they would do the same thing?

Mr. Compton: I was not present at the conference. We meet and

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discuss and exchange ideas. We give notice of our intentions. We do not agree to do anything.

Com'r Clements: I will not spend any more time on this, Mr. Baxter.

Mr. Boatright: You said, Mr. Compton, you would not
837 carry higher rates from your line to these western destinations than are carried by the lines west of the Mississippi?

Mr. Compton: Generally speaking, I think our rates ought not to be higher.

Mr. Boatright: You think it would be wrong and an injustice to your shippers if you should do that?

Mr. Compton: I would certainly give the matter very careful consideration.

Mr. Boatright: It would place them at a very serious disadvantage, would it not?

Mr. Compton: If there were to be a rate in effect at any time from Arkansas that I did not think was reasonably adjusted as compared with our rates, I would give it very careful consideration, and if I saw fit to make a change and bring our rate to a level with theirs I would do so, but generally speaking, I do not think the rates over the Louisville & Nashville road ought to be higher than from Texas and Arkansas.

Mr. Boatright: Would what is true of yellow pine in L. & N. territory be equally true of yellow pine in other territory similarly situated?

Mr. Compton: Well, so far as Georgia is concerned, the
838 Louisville & Nashville railroad is not a Georgia line.

Mr. Boatright: But, what would be an injustice by the L. & N. would be an injustice if done by some Georgia line, would it not?

Mr. Compton: That may be your opinion.

Mr. Boatright: I am asking you the question.

Mr. Compton: I was about to say that we are not a Georgia line. The Louisville & Nashville cannot adjust rates for the Georgia people. When I speak of the adjustment of rates from Arkansas versus the rates from territory east of the river, it is territory served by the Louisville & Nashville, where it can use its own rights and do as it pleases.

Mr. Boatright: Do you know of any conditions in Georgia that would make necessary to these common points in the North rates of 1, 2 and 3 cents higher than from points in Alabama and Mississippi on your line?

Mr. Compton: I would suggest this, that so far as the rates from Georgia and Florida are concerned, the groupings, etc., should be considered by the lines on which these mills are located. Their
conditions may be such as to cause them to reach the con-
839 clusion that there should be a difference. What their peculiar or particular conditions are in Georgia and that section

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which you refer, locally, I do not know, and I do not feel that I
competent to give you an expression of opinion as to what some-
dy should do in Georgia; but I do feel competent to say what we
ould do.

Mr. Boatright: In your knowledge—and you have had wide ex-
rience—there are no conditions there that would warrant this
fference—you know of no conditions?

Mr. Compton: I have just stated that I do not feel competent to
ve you any opinion at all about that.

Mr. Boatright: In the various exhibits that you have shown,
ving the rate per ton per mile on lumber from various sections
the country to various other sections, you seek to deduce the idea
at so long as the Georgia rate per ton per mile is no greater than
t general average, that it is therefore reasonable. Is that cor-
t?

Mr. Compton: Well, speaking of averages, I am glad you brought
is up. I wanted to give you the average rate and I overlooked
. If you will bear with me a minute, I will give you that aver-
e. (Referring to papers.)

Mr. Boatright: I will be satisfied with the plain "yes" or "no,"
whether if this rate is no higher than the average, it is there-
re reasonable?

Mr. Compton: I say your rate is lower than the average.

Mr. Boatright: Does that make it reasonable?

Mr. Compton: I think you have a reasonable adjustment of rates.

Mr. Boatright: Does a reasonable adjustment make a reasonable
te?

Mr. Compton: Well, I think, if these rates on yellow-pine lumber
the territory north of the Ohio river—that is, a common territory
consumption—from the producing territories south are, speaking
nerally, adjusted so as to produce a fair average rate as related
ch to the other, that is, an average of all the rates to all the
nts—a fair average rate per ton per mile from all to all, or from
ch to each, it seems to me that you have got a basis on which to
ch the conclusion that you have a reasonable rate.

Mr. Boatright: Suppose, to illustrate, it were possible to advance
l these rates you have given here 50 cents per hundred pounds all
er the United States. Would the rate then be reasonable? The
same relative adjustment would be maintained.

Mr. Compton: I think if you advanced the rate 50 cents it
would be unreasonable.

Mr. Boatright: How are we to draw the line between the two?
The same adjustment obtains.

Mr. Compton: The proposition as I stated it is reasonable. The
ther verges on absurdity.

Mr. Boatright: It sometimes forms a good illustration. Suppose
you increased the rates 2 cents more per hundred pounds, would
hat be reasonable?

Mr. Compton: I think the rate which is in effect at the time should be considered. I do not pretend to say that I am competent to give you the basis of the reasonableness of an unknown quantity. I do not know how it would work out.

Mr. Boatright: What would you say to a further advance of 2 cents from all yellow-pine territory to the West, as this 2-cent advance was made. In your opinion as an expert traffic man, would a further increase of 2 cents make an unreasonable rate?

Mr. Compton: I am testifying for the purpose of showing that these are reasonable rates. I do not think it is fair to ask me to state something to you, or give you a reply as to what might
842 be reasonable when the quantity or the condition is unknown.

Mr. Boatright: It seems to me we are clearly entitled to test the value of an opinion given and what it is based on. It is not intended to make these questions unreasonable. I think you can clearly foresee all the results that would logically follow an increase of 2 cents more. We have had a recent increase of 2 cents and there had been another increase prior to that. Suppose we had another increase, would you insist that the rate was still reasonable?

Mr. Compton: I do not know. I will say this to you, that a 2-cent advance might be justified.

Mr. Boatright: What would be the chief ground of justification in such a case as that—the general average?

Mr. Compton: I said there might be justification.

Mr. Boatright: What would the justification consist of?

Mr. Compton: It might be justified if the rate were further advanced 2 cents per hundred pounds, but before making oath to the reasonableness of a rate, I would want to go into it carefully and consider it. Certainly I would do so before giving an opinion under oath.

Mr. Boatright: Outside of this question of the general average as going to establish the reasonableness, according to your
843 view, what other grounds are there, if any, for your contention that this present rate is just and reasonable?

Mr. Compton: Well, I think there are many reasons why a rate can be shown to be reasonable, and the conditions are many. I have tried to show the reasonableness of these rates by the facts produced. I have tried to show that they are reasonable in themselves and as related to other rates. I have not gone into anything that is theoretic at all. I have made no statements on theory. I have produced these facts and am testifying on the basis of facts, and my opinion is that these are reasonable rates, and my reason for saying so is because I reached the conclusion with these facts before me. I cannot reach any other conclusion.

Com'r Clements: I think we will suspend until 2 o'clock.

At 12:30 o'clock, the Commission took a recess until 2 o'clock, p. m.

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AFTER RECESS.

OCTOBER 30, 1903—2 p. m.

Commissioner Clements: You may proceed, Mr. Boatright.

Mr. Compton resumed the stand.

Mr. Boatright: Mr. Compton, I believe in answer to a question before recess you stated that you did not feel qualified on account of lack of familiarity to state whether the rate from Georgia on number to these points in question were reasonable or otherwise.

Mr. Compton: I think you are incorrect.

Mr. Boatright: Please state whether the rates from Georgia of one, two and three cents higher than from Alabama and Mississippi over your line are reasonable or unreasonable?

Mr. Compton: I stated, I am sure, in response to the question that I believed the rates from Georgia to the territory of destination to be reasonable rates. I hold to that opinion still. I stated that so far as the groupings of these particular points were concerned that I was not familiar with the grouping of those points—with the reasons for grouping the points as they are grouped, and on that account I did not feel that I was able to state an opinion in regard to the groupings. As to the rates themselves as to effect I believe they are reasonable.

Mr. Boatright: What conditions, Mr. Compton, in Georgia would make rates of one, two and three cents more in some cases than the rates from similar territory in Alabama and Mississippi reasonable? What conditions are there in Georgia and Florida that would warrant rates that much higher than those applicable from Alabama, Mississippi and Arkansas?

Mr. Compton: Not knowing the distinction in regard to what you call similarity I do not feel that I could give a fair answer, or any answer at all to the question you propound. I can answer, I think, fairly and consistently and show you the record of the adjustment of these rates from different points to the various points of destination and give you a statement of the facts as they exist, and upon those facts I base my opinion of the reasonableness of the rate. As to what you may term similarity, as to something that you may have in your mind, is another question and one I am not able to get at?

Mr. Boatright: Eliminating the word "similarity" entirely why should rates from a large part of Georgia be one, two and three cents higher than from Alabama and Mississippi?

Mr. Compton: I have had statements prepared and filed which show that the rates from Georgia in themselves and as related to the rates from the producing territory in Arkansas and Texas, and from which territory the minimum rates apply, are reasonable. I have not up to this time given any testimony concerning rates from Mis-

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similar to the same Ohio River crossings to the same points of destination from fairly representative points of origin in the territory mentioned on yellow-pine lumber, the same as I have done in the other cases.

Mr. Baxter: That is what I understand Mr. Boatright wants.

Mr. Boatright: That is what we would be glad to have.

49 Referring again to the Georgia rate situation, Mr. Compton, is it not a fact that some of the rates in Georgia to these various points of destination are uniformly two cents higher than those from Alabama and Mississippi, also Southern railway Group 1, from Georgia?

Commissioner Prouty: You need not spend any time in answering that question. It has been stated here several times that that is a fact. Is that not so, Mr. Baxter?

Mr. Baxter: I understand so.

Mr. Compton: The only answer that I was going to make about that was this: He used the word "uniformly." If he had said generally, I would have answered yes, but there was a doubt in my mind when he said "uniformly." That is why I hesitated about answering the question. I will answer by saying that from some points in Georgia the rates are, in some cases, in most cases—generally two cents higher than from the stations known as Group 1 in Georgia. I won't say uniformly, but generally.

Mr. Boatright: Are you familiar with the timber conditions in Southern railway Group 1 in the State of Georgia? That is to

50 say, is there any considerable number of mills in that group?

Commissioner Prouty: That has all been gone into, you need not go into that.

Mr. Boatright: The testimony of the Southern railway was that there were eighteen mills located on that line in that group. They are very little mills, portable mills, which are shifted about from place to place. One month you can locate them and another month it will take a warrant. We want to insist that there is no lumber in that territory. It is a paper rate and not material in this case.

Commissioner Prouty: There must be some witnesses who can state that better than a person not familar with that locality.

Mr. Boatright: He seems to pretend to know about the rate situation.

Mr. Compton: In producing the statements that I have filed as exhibits I have not used the Southern railway as a unit of measure in this case. I have measured it both from the low group and the high group. I would not undertake to present this Commission a statement which would appear from the face of it as being padded or unfair. I have produced a statement that can be verified

51 from your own records. These statements contain points of origin which are fairly representative of the points in the groups from which the business actually moves. I have taken the

high rate, the medium rate and the low rate and I have taken a fair average distance from all these groups in order to get my results.

Commissioner Prouty: Do you know how much lumber traffic actually moves from Group 1 on the Southern railway?

Mr. Compton: I do not.

Commissioner Prouty: How do you know whether you have taken a fairly illustrative point than when you used a point in Group No. 1?

Mr. Compton: I know this, that when our experience first began on the Louisville & Nashville railroad that I had to measure the rates for the Louisville & Nashville railroad by the conditions that surrounded the case at that time, on our road and those which surrounded the conditions on the Southern railway, the East Tennessee road at that time. It is true that from the first section which was developed on Louisville & Nashville railroad the timber has been cut to a very considerable extent and there is little of it left.

852 That is true of conditions on the Southern railway from their Group No. 1. However, there yet remains in our territory, and in theirs, timber which is available for lumber and from which lumber will move for some time to come. I believe it is fair to measure a rate as I have measured it, and I will say to you that I have measured nothing except by a fair standard of measurement.

Mr. Boatright: Mr. Compton, yesterday you stated that the L. & N. on Georgia lumber receives from three and a half to four mills per ton per mile on lumber that originates beyond your own lines. That is true, is it not?

Mr. Compton: Yes, sir.

Mr. Boatright: Can you state what your line receives per ton per mile on the lumber that it does originate itself.

Mr. Compton: The statement which I have just announced that I will furnish will contain that information. It will show the rate which the Louisville & Nashville railroad gets from its producing points to each of the Ohio River crossings. It will show the average rate the Louisville & Nashville railroad gets on business to all points of destination beyond—just the same as I have shown from the southeastern group. You will have all that data.

853 Mr. Boatright: Mr. Compton, are not the large intermediate lines in some measure able to fix the proportions, the divisions, that the delivering lines shall receive on lumber or other products?

Mr. Compton: The question of divisions of rates on lumber is a matter of consultation with connecting lines. We endeavor to get all we can from connecting lines. We trade with each other to get what we consider fair decisions. We trade—that is to say, we consult, we confer, and endeavor to divide these rates on a fair basis, and I will say for the L. & N. railroad that when I come to divide a

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ate with a connecting line I do not try to give them the best of it
ll the time; I try to divide it fairly. It is a matter of negotiation
with your connections as to what you can get.

Mr. Boatright: In the event that you do not desire to have lum-
er moved by a particular route, through various gateways, how do
ou usually prevent that—by demanding a minimum proportion
y that route which is in excess of the amount you would receive
y prorating?

Mr. Compton: We do this: We find that a through rate is avail-
able from a given point of shipment to destination, and the
54 question which first presents itself to us is, Can we participate
in this movement at the going rate? We negotiate to see
hether or not we can. If the conditions are such that we feel jus-
ified in undertaking to handle the business, we go into the busi-
ess; if not, we do not undertake to participate in it. Now, I do
ot hesitate to say to you that there is business in this Southern
ountry in which the Louisville & Nashville railroad could partici-
ate, but which it does not feel justified in handling, because it is
ot attractive. I am not speaking now of yellow-pine lumber, but
enerally. We take into consideration all those things in dividing
he rate.

Mr. Boatright: I suppose the Seaboard Air Line takes what is the
eorgia, Southern & Florida Group 1 rate, one cent higher than
outhern Railway Group 1. What determines the proportion that
our line will allow the Seaboard Air Line up to Montgomery?

Mr. Compton: What determines that is this: If the Seaboard Air
ine desires to carry a certain rate to the Ohio river or beyond from
heir stations on yellow-pine lumber they meet with the officials—I
meet with them, or some representative of our company who
55 can act in that capacity, and we endeavor to arrange a basis
for dividing the rates. We fix it sometimes on one basis and
ometimes on another. We each of us respectively try to divide
hese rates according to what we consider the best thing to do; that
s to say, the Seaboard Air Line might feel justified in asking us for
certain division because of their ability to get certain business out
n some other direction: In that event, we must recognize those
onditions and in order that we may participate, or that we may be
ble to participate in the movement of this particular traffic, we
ust make it sufficiently attractive to them so that they will give
s a fair representation in the handling of it.

Mr. Boatright: When the proportional through the Ohio River
ateways was 13 cents, what amount did the Seaboard Air Line—or
he Georgia & Alabama railroad, as it was then—receive up to
Montgomery?

Mr. Compton: I have not every rate and division of a rate that
ight have been in effect some years ago in my mind now, but if
ou will state a particular point of origin and the route by which

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the business might move and then ask me for the division of that rate, I shall be very glad to furnish it.

856 Mr. Boatright: If the Commission please, we would like to know the division of the rate which exist from points on the Georgia & Alabama railroad—now the Seaboard Air Line—on this lumber moving to these various destinations beyond the Ohio river, via Montgomery and the L. & N. railroad.

Commissioner Clements: He says he will furnish that if you will give him a definite statement of what you desire, taking some specific point of origin and route.

Mr. Boatright: There has been an increase from 13 cents up to 17 cents in the rate, and I want to know the disposition that has been made of this four cents increase—in some cases five cents—how has it been divided among the lines in interest?

Mr. Baxter: I will say that it will involve considerable clerical work in taking all stations. Can you not select some point of origin?

Mr. Boatright: They all take the same rate.

Commissioner Prouty: I think the testimony was, Mr. Boatright, that of the three cents advance which took place in 1899, it was divided one cent to the originating line in Georgia, one cent to the

857 line from the point of connection to the Ohio river and one cent to the lines beyond the Ohio river, and that of the present two cents advance it all went to the connecting lines to the Ohio river.

Mr. Compton: That is north of what we call the gateways—Macon and Albany, Ga. I was going to suggest this——

Commissioner Prouty: Let me ask you, Mr. Boatright, don't you understand that that has been the testimony and that such is the fact?

Mr. Boatright: I was specially desirous of knowing the disposition of this last two cents advance. I know it applies from initial point to the river, but how it is divided among the carriers from the initial point to the river I do not know.

Commissioner Prouty: Mr. Compton can tell you that.

Mr. Compton: I was going to suggest this: That if I were to undertake to do what Mr. Boatright has asked me to do it would cause me probably two or three weeks work to give him one example. If he will give me a point of origin I can furnish that very easily.

Commissioner Prouty: Take any point on the Georgia & Alabama railroad.

Mr. Boatright: Every one of them takes the same rate.

858 Commissioner Prouty: Of this last increase how much does the Seaboard Air Line get?

Mr. Compton: If Mr. Boatright will give me a particular point of origin and point of destination, I will give him the division of the rate as previously in effect and as at present in effect: I think I can

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answer this question to the satisfaction of Mr. Boatright and others without going into unnecessary details.

Commissioner Prouty: He has asked you a simple question now. The rate is the same from all points. How much of this additional two cents does that road receive?

Mr. Compton: Of the two cents advance which occurred on June 22nd from this southern territory it was distributed as between the lines north of these so-called gateways on the basis of mileage; that is to say that if a shipment originated south of Macon, the lines from Macon to the Ohio river shared the two cents between them. If the business was sent through Albany, Ga., the two cents advance was shared by the lines north of Albany on a prorate via the gateways of Montgomery, Birmingham and Chattanooga; that
559 is to say the lines south of Macon and south of Albany did not get any of the two cents advance, but that the lines north of these gateways got it on the mileage of each. That was the distribution of it.

Mr. Boatright: If this shipment originated on the Seaboard Air Line and went to the Ohio river over your line via Montgomery would not your line get the entire two cents?

Mr. Compton: No; the rates were not divided that way. I have set forth in this last response the basis for dividing these rates.

Commissioner Clements: How would they divide in this particular instance?

Mr. Compton: I asked Mr. Boatright to be specific and give me the name of some point.

Commissioner Clements: He says they all take the same rate.

Mr. Compton: They all take the same total rate but not the same division. I have shown you in the memorandum which I have filed as an exhibit about these rates. To illustrate, I have taken five points of origin, say to Chicago, and I have shown how in the division of those rates by each of the Ohio River crossing busi-
560 ness may move via Montgomery. I have shown you the basis for dividing those rates north of Montgomery by all the gateways. I have shown you the basis for dividing those rates via Montgomery through all the gateways. I have shown you the basis for dividing those rates by Atlanta and Chattanooga and Nashville and the Louisville & Nashville railroad.

Commissioner Clements: Does the Seaboard Air Line get any of the increase of two cents from stations that he is talking about, on business that comes to you at Montgomery?

Mr. Compton: That question was put in such a way as to preclude the possibility of my giving an intelligent answer. If Mr. Boatright will give me a specific point, I will give him the division. Some stations may be 50 miles, some 100 and some 200 miles from Montgomery and so on, and I am not able to carry those things in my head.

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Mr. Boatright: Take it from De Soto, Georgia.

Mr. Compton: If I have De Soto in the list I can give it to you.

Mr. Boatright: Take any point you have in the list; does the originating line get any of this increase, or did I understand you to say not.

861 Mr. Compton: I have stated that the lines north of Albany and north of Macon participate in this two cents. Maybe I can illustrate that? Suppose for instance that you take the proportion of the G. S. & F. railroad and the G. & A. railroad, which connects with the Louisville & Nashville at Montgomery; the arbitrary or proportion, or whatever you may call it, up to Macon is the same as it was previously; but if that business is given to the Seaboard Air Line and by it in turn given to the Louisville & Nashville at Montgomery, then the Seaboard Air Line participates in that advance to the same extent per mile, according to the prorate that is in effect in connection with the Louisville & Nashville railroad.

Mr. Boatright: It would not participate in business that it originates if delivered to you at Montgomery?

Mr. Compton: If you will give me a specific point, I will give you the division of the rate.

Commissioner Prouty: He wants to know if you get it all or whether the Seaboard Air Line gets any part of it?

Mr. Compton: In some cases we get all of it and in some cases a part.

Mr. Boatright: Have you a statement there which is fairly illustrative of the division of this two cents advance?

862 Mr. Compton: I have endeavored to do this; I have not taken all the rates that were in effect prior to the advance and given a division of those rates; nor have I taken all the rates in effect at the present time and shown the division of those rates in comparison. I have not undertaken to do that at all. I have undertaken to show the basis of the present rate. If you want a comparison of divisions of rates, I cannot carry those things in my head and nobody else can.

Mr. Boatright: You stated in your examination yesterday that one of the hardships to railroads incident to handling of lumber was the movement of flat cars southbound empty. Is that not fairly compensated for by the fact that were it not for the lumber moving northward in box cars that many of them would likewise go north empty, and is not one case a fair stand-off for the other?

Mr. Compton: I do not think it is.

Mr. Boatright: What proportion does the lumber handled by your line in box cars, approximately what proportion, does it bear to that handled in flat cars?

Mr. Compton: I presented an exhibit here yesterday, or this

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morning, which gives the proportion. Now, I want to say
863 this in connection with the use of flat cars versus the use of box cars: The Louisville & Nashville railroad and others have for years been hauling flat cars south to this country for lumber, the dimensions of which lumber were too large to put in box cars. We find that the millmen in order to save the difference between the cost of putting it in box cars and in flat cars will misuse the flat car and give us box-car sizes on flat cars and therefore force us to make a double movement of the car. I do not think there is a lumberman in this room who will deny that is a fact. They all know it. They will take a size of lumber that they can put in box cars and in order to save 30 per cent. in the cost of loading they will put it on a flat car and force us to make a double haul on that flat car.

Mr. Boatright: Is it not a fact that your line handles more lumber in box cars than it does in flat cars?

Mr. Compton: Yes, sir; that is true.

Mr. Boatright: Your statement here shows that for the month of March last you handled 435 box cars of lumber as against 209 flat cars.

Mr. Compton: I think those figures are correct.

Mr. Boatright: Is it not probable that had it not been for
864 this lumber business those box cars would have had to go back north empty—at least in the same proportion that the flat cars moved south empty for like shipments?

Mr. Compton: I will say that the Louisville & Nashville railroad has participated in the movement of lumber northward in box cars from Georgia territory to the detriment of its own interests; that the Louisville & Nashville railroad has not therefore had sufficient equipment to take care of business which was more profitable; that there has not been a box car used for Georgia pine lumber that could not have been used to better advantage for the handling of other north-bound traffic.

Mr. Boatright: Is it probable that these 435 box cars came south loaded?

Mr. Compton: I think it is probable they did.

Mr. Boatright: Is it not also probable that had there been no lumber for them they would have at least moved as far back toward the north as your line empty?

Mr. Compton: That is a possibility, but a bare possibility.

865 Mr. Boatright: If it is only a bare possibility, then do you bring empty box-car equipment south?

Mr. Compton: Well, we have these conditions with us, that the volume of business is northward except possibly in certain seasons, which do not occur often, where the volume of south-bound business may be larger; but generally speaking we have more business northward than southward.

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Mr. Boatright: Do you think that is true of your southern connections—the lumber originating roads? Is not the reversed probably true of them?

Mr. Compton: No, sir; I think their conditions are the same as ours?

Mr. Boatright: That it is frequently necessary to bring empty box cars south in order to handle their business?

Mr. Compton: I think it is necessary very often for the Louisville & Nashville railroad in cases like this to haul traffic southward from the Ohio river to Birmingham and south from there to the Gulf and then haul the cars back to Montgomery empty in order to give them to somebody else who needs them to load. We have that condition in connection with the other.

866 Mr. Boatright: Has there been any good reason for a difference of three cents per hundred pounds on lumber loaded in box cars and on flat cars?

Mr. Compton: I think there is a most excellent reason.

Mr. Boatright: Do you think that difference ought to be maintained yet?

Mr. Compton: Yes, sir.

Mr. Boatright: You think it would still be proper?

Mr. Compton: The reason for saying that is this: That you cannot with any degree of certainty judge what it will cost you in advance to handle traffic or handle cars. You have got to handle in this case two cars for one. I think that the difference between the handling of the two cars and the rate of three cents per hundred pounds for the flat car over the box car does not compensate us for hauling flat cars empty. In other words, I do not believe that it is compensation to the Louisville & Nashville railroad to haul an empty car from Louisville to Valdosta for three cents a hundred.

Mr. Boatright: When this difference of three cents prevailed, did it prevail from the yellow-pine section both east and west of the Mississippi river?

867 Mr. Compton: It did universally east of the Mississippi river. So far as Texas and Arkansas is concerned, as I explained this morning, I have not the history of those rates. Before we used the flat car to a very considerable extent we had an arrangement like this on the Louisville & Nashville railroad: In order that we might be enabled to furnish shippers of yellow-pine lumber with necessary equipment we had an arrangement whereby we would permit a shipper to cut a hole in the end of a box car in order that he might load his lumber in it, through the hole in the car which was cut by him according to specifications furnished by the mechanical department of our road; that is, we preferred to have these cars disfigured and weakened in order to put lumber in them rather than to haul flat cars empty south. Those conditions prevailed for years and we found after several years of experience that

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cutting a hole in the end of the box cars weakened them, and we devised a plan by which every car that was purchased or made for the Louisville & Nashville should have an end door put in it—an iron door and slide,—so that it might be used for the handling of lumber northward. That arrangement was made for no other purpose than to prevent the hauling of flat cars south.

Mr. Boatright: Did it accomplish that object in any great measure?

868 Mr. Compton: We finally discontinued this practice or this system of providing end doors in cars and permitting the cutting of same. In 1894, or may be 1897, on the line of the Louisville & Nashville railroad we concluded to make the same rate on the flat-car equipment that we did on the box-car equipment. Therefore the necessity for end doors disappeared.

Mr. Boatright: In testifying yesterday in regard to equipment to be furnished by the shipper in loading flat cars, you spoke of cars equipped with standards only. Do you know of any sort of shipments moving from Georgia points that are allowed to move with standards only; that is, without any binder or other appliances to hold the standards together at the top?

Mr. Compton: The estimate which I gave yesterday or this morning in figuring the cost was from mills on the Louisville & Nashville railroad. That estimate I obtained personally by a trip over the territory. That is the condition on our road. I will say that there is no reason why a flat car shall have on it what is called a support for holding the timber off the bed of the flat car when loaded in single lengths, and in the practical handling of the traffic at the mills they do not use that timber; the only thing

869 necessary is to supply the standards or stakes to support the lumber to prevent it being thrown from the car and the additional protection of putting a strip from the top of the standards, from one to another.

Mr. Boatright: On either side of each pair of standards?

Mr. Compton: Yes, sir. Now, I made this estimate for the cost of the stakes. I saw these parties and got them to give me these estimates. I made a memorandum at the time. I found that the highest was $1.15 and the lowest 25 cents—which seemed to me was unreasonably low, the latter figure. I took the average of the whole. I divided it and found the average was 69.6 cents—say 70 cents per car. I believe that you can stake cars for 70 cents. That is the basis of my estimate for the stakes. As to the strips and supports I made what I considered a reasonable calculation and stated that I believed that $1.25 would cover the stakes, the cross-strips and the supports. That is where I got my $1.25.

Mr. Boatright: Did you make any provision there, Mr. Compton, for nails and for the labor incident to putting these appliances in place?

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Mr. Compton: I got these figures from the gentlemen who
870 represent these important interests on our road. They told me that that would be the gross cost to them, everything considered.

Mr. Boatright: Did you receive any calculation as to the number of feet required to equip the average flat car; that is, where two bearing pieces are used, the requisite number of standards and strips to bind the standards together?

Mr. Compton: I figured it this way, Mr. Boatright; taking an average of the whole, I calculated using the basis of four and one-half pounds to the foot at a fair average would be from 700 to 750 pounds per car. I think that is a fair average of the weight of the timber used in the supports, standards and strips? I believe that is a fair average, a fair estimate.

Mr. Boatright: What I am trying to arrive at is the value of the timber as such. Do you know the number of feet required? Is that shown by your estimate? Did you get that in your estimate?

Mr. Compton: I had this difficulty: I had the difficulty of arriving at a basis of calculation because in some cases the sup-
871 ports were not used and in some cases the strips were not used. It is not universally true that they use the stakes, the supports and the cross-pieces. They don't use that all the time. So the basis that is a reasonable basis for calculation seemed to be about 750 pounds and if you will divide that by 4½ I think you will get the number of feet. I believe that estimate is fair and I do not believe there is a saw-mill man or lumberman in this room who will say that 750 pounds per car weight for standards, strips and stakes, is an unfair estimate.

Mr. Boatright: Referring to your Exhibit "A." What is the source of your information as to the prices received for lumber?

Mr. Compton: The source of information is the consignee whose name is shown on that exhibit.

Mr. Boatright: Can you be positive that these are the prices actually received by the millmen, or may they not be the millman's prices with the brokerage added?

Mr. Compton: I do not know anything about what the millman pays for brokerage. What I know about that statement is this: I caused that information to be prepared based on the data
872 that I received from the consignees. The consignees had their freight bills; they had their invoices, and they showed what they paid for the lumber.

Mr. Boatright: Well it is possible that these prices could be the broker's prices, the prices paid to the broker rather than to the millman, could they not?

Mr. Compton: I suppose that is possible, but I suppose too it is as fair for me to make a guess on that as it is for you to make a guess on it.

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Mr. Boatright: Suppose we take one car here and not guess at it. Without being able to show the shipper, we find that from Wright, Ga., there was shipped on March 25th a car of laths to C. L. Davidson, Dayton, Ohio; weight 35,950 lbs; rate 25 cents; freight $89.80; the car containing 64,200 laths. It shows that the mill received for that shipment $112.35. Do you not recall that Garbutt made an affidavit at Macon most positively denying that the mill received that amount and asserting that it only received $86 or $87?

Mr. Compton: I do not know anything — Mr. Garbutt's affidavit. The statement I have prepared and here submitted is what I believe to be correct. If Mr. Garbutt undertook to make a trade with
873 Mr. Davidson at Dayton, Ohio, other than what Mr. Davidson gave us, I do not know anything about it, but I do know that the statement there is as near correct as it is possible to get a statement of that kind.

Mr. Boatright: In this comparison found in Exhibit "A," of course, it carries different grades of lumber and I contend that to use dressed and kiln-dried stock carries a rate of freight, or there would be freight collected on it in excess of the value at the mill. How is it in regard to rough green lumber? Does the average rate or average freight collected at destination not exceed the value of such lumber at the mill frequently, and perhaps equal it all the time, taking south Georgia points as an illustration?

Mr. Compton: The exhibit which I have presented I think fairly represents the movement of lumber from this producing territory to Ohio River points and beyond. The different grades are specified in that statement, and I think it represents a fair average.

Mr. Boatright: What reason have you for thinking that makes a fair average? That is a very small percentage of the lumber you handled during that month. Have you any reason to think that makes a fair average?

874 Mr. Compton: I think that shows a fair average of the movement. At least, that is all the information I could get for that time concerning the movement. We have all grades in there.

Mr. Boatright: In your exhibit "B" you make a comparison with pig iron rates. Do you contend that that is illustrative of anything in the lumber situation, especially when you use lumber from Georgia points and pig iron from points on your own line?

Mr. Compton: I think that is a fair illustration. I think we can even go beyond that, Mr. Boatright. I have shown by another exhibit that the capacity of the car is utilized only to the extent of about 70 per cent. by the lumber shippers. So far as pig iron is concerned, it pays a greater rate per ton per mile, and we invariably get a loading to the capacity of the car. The rate on pig iron yields the Louisville & Nashville railroad and all carriers south of the river a greater rate per ton per mile to the Ohio river than lumber

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traffic. It gives us a greater weight per car and a greater rate per ton per mile. I have measured these rates by comparison
875 with Georgia to destination on the Ohio river and also to points beyond. I have measured the pig iron rates through to destination, the rate per ton per mile, south of the river and the proportion beyond the river.

Commissioner Prouty: What part of your entire traffic is pig iron?

Mr. Compton: I am unable to state. I have not that information. But the rate per ton per mile on lumber is materially less than the rate per ton per mile on pig iron and the average loading per car of lumber is materially less than the average rate per car of pig iron. So, therefore, we get more tonnage, more weight, and more rate per ton per mile and therefore it is a more profitable business.

Commissioner Prouty: How does the value of the lumber at the mill compare with pig iron at the furnace?

Mr. Compton: Do you mean per car, or how?

Commissioner Prouty: Take it per ton if it is easier to reduce that way, or any given quantity to illustrate the hazard of handling.

Mr. Compton: Pig iron in Birmingham today would be about $10.75 a ton for the average grade.

876 Commissioner Fifer: Is there any single article of traffic moving over your road that moves in greater volume than lumber?

Mr. Compton: Any one single commodity?

Commissioner Fifer: Yes, sir.

Mr. Compton: Yes, sir.

Commissioner Fifer: What?

Mr. Compton: Well, speaking broadly we get of the products of the mine about 55 per cent. We get of products of the forest, which does not mean yellow-pine lumber alone; it means all kinds of lumber, logs and everything that comes out of the woods—of that we get about 12½ per cent. The yellow-pine lumber from Georgia is a small part of the business we handle in lumber.

Commissioner Fifer: Is there any manufactured article that moves over your road which exceeds lumber?

Mr. Compton; More pig iron moves.

Commissioner Fifer: Take other lumber; is there any other lumber or logs moving in greater volume?

Mr. Compton: Any other grade of lumber greater than this movement from Georgia?

Commissioner Fifer: Yes, sir.

Mr. Compton: Yes, sir; take the woods of Kentucky and
877 Tennessee, that is materially greater in movement, in tons, to the Louisville & Nashville railroad than this yellow pine from the southeast—materially greater and has been for years.

Mr. Boatright: Do you speak of Georgia lumber, or of lumber

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ich you handle from Alabama and Mississippi and all points south
at you handle lumber from, in making your comparison?
Mr. Compton: I said this: That the lumber business from Georgia,
e yellow-pine business from Georgia, was a small part of the
s carried of the products of the forest. We undertake to do this
our statistical information that is contained in our annual report.
e undertake to classify the different kinds of business which the
stem handles in tons—not in revenue, but in tons. The forest
oducts yield us in tons carried about 12½ per cent.
Mr. Boatright: That is not from Georgia, but of the entire ton-
ge carried of the L. & N.?
Mr. Compton: The entire tonnage of forest product handled by
e L. & N. railroad.
Mr. Boatright: It has been testified here, and I believe you
s stated on your direct examination, that there was something
like 80 per cent. of the shipment of lumber from Georgia ter-
ory which went to railroad companies and car factories.
Mr. Compton: I stated that.
Mr. Boatright: Do you know of any reason why that is true?
Mr. Compton: Do I know of any reason?
Mr. Boatright: Yes, sir.
Mr. Compton: I know it is true.
Mr. Boatright: Why is it that Georgia does not make a greater
roportion of shipments of dressed and other similar lumber,
uilding lumber to that territory?
Mr. Compton: You might ask me why do not Mississippi and
labama do so?
Mr. Boatright: Perhaps they do. That is what I am trying to
rrive at. That is what I wanted to ask you—where they get their
uilding material.
Mr. Compton: I know that of the movement over the L. & N.
ailroad during the month of March, 1903, of the total movement,
here was about 80 per cent. Let me see that exhibit. I do not
want to make a misstatement.
Mr. Boatright: That is, approximately.
Mr. Compton: I do not want to answer unless I know.
Referring to memorandum.) The movement from Georgia for the
onth of March was 655 cars, of which 417 cars were consigned to
ailroad companies and car factories; to other consignees there were
8 cars. The percentage was 63.2 per cent. to railroad companies
nd car factories and 36.8 per cent to other consignees. That is to
y, approximately two cars were used by the car makers and rail-
ads as against one used by other consignees.
Mr. Boatright: Four times?
Mr. Compton: The percentage stated by me for the handling of
is business was to railroad companies and car manufacturers 63.2
er cent. and consigned to other consignees 36.8 per cent. I have

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not testified anything about 80 per cent of lumber being used
car manufacturers.

Mr. Boatright: It has been testified to by somebody and may
an error.

Mr. Compton: It is an error.

Mr. Boatright: Might not the rate situation have something to
with keeping out the dressed lumber of Georgia, of keeping it
of that territory?

880 Mr. Compton: I do not think it has had the slightest ef
on it.

Mr. Boatright: Do you know where that territory gets its dres
lumber from?

Mr. Compton: What kind of dressed lumber?

Mr. Boatright: Building lumber generally; not necessarily yel
pine.

Mr. Compton: It gets its yellow pine from the yellow-pine p
ducing States.

Mr. Boatright: You would not say that the 30 per cent. that w
into that territory from Georgia of the total number of cars m
tioned by you was a relatively fair proportion for Georgia to sup
of that, would you? Would it be a fair proportion, or would it
in your opinion?

Mr. Compton: Mr. Boatright, I must confess I do not unders
your question.

Mr. Boatright: Out of the immense quantity of lumber nece
rily consumed in that territory, does it seem that is a reasona
quantity for Georgia to supply if rates were equally adjusted, if t
market was equally accessible to Georgia?

881 Mr. Compton: In the testimony I have given I have
pretended to say that the 655 cars handled by the L. &
railroad in March, 1903, represented the total movement of lum
from Georgia. The L. & N. is only one of several carriers.
might have had as much as any one else, as any other line, or
might have had less than any other line; but because there w
movement of 655 cars by the L. & N. that is no basis for yo
make any calculation upon as to the movement of yellow-pine l
ber consumed in this territory from Georgia. That statement is
made at all for any such comparison. That statement is mad
the purpose of giving simply the information contained in it an
set forth in it. You have simply taken that statement and as
question concerning it that is not relevant.

Mr. Boatright: It is irrelevant?

Mr. Compton: It has no bearing whatever on the questions
have asked.

Mr. Boatright: You stated that the rates on Georgia lumber
your line were the lowest and very much the lowest of anyth

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handled. What can you say with reference to the movement of rosin from Southern Railway Group 1 and other territory taking the same rates to Cincinnati as compared with lumber rates? Are those rates not as low or lower than the lumber rates?

Mr. Compton: I think I have testified, and I presented an exhibit support the statement—that is to show or to fairly illustrate the ement that I made, which was to the effect that the lowest traf- handled by the Louisville & Nashville railroad was this yellow- lumber from Georgia. You ask me now what the Southern way earns on rosin from Group No. 1 to Cincinnati. I do not see it has any bearing at all on the question. I am testifying as to at the Louisville & Nashville railroad receives on its yellow-pine ffic, and I am not competent to tell you what the Southern rail- or the Cincinnati Southern, receives on rosin say from Brunswick. Cincinnati. You should ask that of the Southern railway officials.

Mr. Boatright: Does your line participate in the 22-cent rate from S. & F. Group 1 to Cincinnati on rosin?

Mr. Compton: I don't know; I am not advised, not specifically. you will give me time, and it is desired, I can furnish it.

Mr. Boatright: But if so, how does the revenue compare with the revenue from lumber?

Mr. Compton: The exhibit I will produce will be based the tariff rate.

Mr. Boatright: Whatever it is?

Mr. Compton: Yes, sir.

Mr. Boatright: What, if any, effect, Mr. Compton, has the increase rates to the West had on the lumber business of this section. Do attribute the falling off to that increase in rate, or what do you tribute it to?

Mr. Compton: To what extent this business has fallen off I am t advised. I will say this in connection with the handling of the llow-pine business to the Ohio river and beyond: I have knowl- dge of the movement from points from which yellow-pine lumber produced on the L. & N. railroad, and our lumber business has t fallen off.

Mr. Boatright: That which originates on your own line?

Mr. Compton: Yes, sir; it has not fallen off. Whether it has llen off in Georgia I am not prepared to state, but I think you can get information on that from the lines which originate the business. We only get that business in part, and I cannot give you a fair and intelligent answer concerning the tter.

Mr. Boatright: I believe you stated yesterday that you attributed th falling off as there was, if any, to a cessation of car-building considerable measure, and you stated that in 1902 your line ilt about 5,000 cars and this year your line was building about a ousand cars only.

Mr. Compton: I meant that if there was a falling off, and I heard it generally argued about that there was a falling off—that there has been any, I say the cause of it is these unsettled conditions; that is, these financial conditions; people are frightened and they are very slow to make any extraordinary expenditure for equipment of any kind. Everybody is becoming very conservative. To illustrate that I would use the example of the L. & N. We do not buy any cars because we have capacity to build all we need. Last year we built 5,000 new cars. This year we will not build over [illegible]. Therefore it seemed to me that was a fair statement to make and a fair thing to present to show our conditions. If those are our conditions and we are a fairly representative line, a standard line, it would

885 seem to me that you might fairly measure the other companies' conditions by our conditions. Then, besides you have already had information to the effect that such lines as the Pennsylvania and the New York Central and the Illinois Central and the standard lines of this country have in a conservative way undertaken to reduce their expenditures; that is, to cut down their orders for equipment and other expenditures awaiting the outcome of these financial troubles. That is what we have done and that may account for the decrease in the movement of lumber used. That is a fair deduction.

Mr. Boatright: Can you state how many cars you built in 1900 and 1901?

Mr. Compton: I might have answered that yesterday when our purchasing agent was here.

Mr. Boatright: Was it abnormal as compared with previous years or is that 5,000 cars about an average?

Mr. Compton: An addition of 5,000 cars per year in the equipment of the Louisville & Nashville railroad carried back and forth would have given us more equipment than we would be able to handle or take care of on our road. I do not think you can measure it that way.

886 Mr. Boatright: That is, whether your building of cars had any effect on the market condition except perhaps for that one year, whether it had any considerable effect?

Mr. Compton: I would say in a general way that a concern or company that purchases material for the building of 5,000 cars would be quite a factor in the market. I think if any lumberman in this room could get an order for material for the building of 5,000 cars he would have an important order and be a factor.

Mr. Boatright: I think we can agree on that. I want to know how far back that extended. Are you acquainted with the competition that the yellow-pine lumber has to meet in the central states of the West as we are calling it here.

Mr. Compton: I think I am reasonably well posted in that particular, yes, sir.

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Mr. Boatright: From what sections does that competition mainly
me and of what does it consist?

Mr. Compton: The strongest competitor the yellow pine from Georgia has in that territory is yellow pine that is produced in the yellow-pine States. That is competition I will say generally of yellow pine produced in territory south of a line awn east and west through Atlanta, Birmingham and Little Rock. he territory south of that would fairly represent the yellow-pine rritory of the United States, I would say. That competition is beeen yellow pine and yellow pine.

Mr. Boatright: Would not white pine and hemlock be a considerble factor if the rate was very much lower on those than on yellow ine.

Mr. Compton: In what section?

Mr. Boatright: In these western States, Illinois, Indiana, Ohio, ennsylvania and portions of New York.

Mr. Compton: We all know that there is no hemlock in Indiana, linois and Ohio.

Mr. Boatright: Is there not a good supply of hemlock coming om the Pennsylvania mountains into the Buffalo and Pittsburg rritory?

Mr. Compton: I have not the data with me, but when this quesion came up some months ago I made it my business to inquire to scertain whether there was any hemlock lumber shipped from the Pennsylvania territory to the territory west of Buffalo and ss Pittsburg and the information I got was that there was not.

Mr. Boatright: The rates on white pine to all of the destiations, the total rates on white pine from the white-pine producing tates to all of the points in Ohio, Indiana and Illinois are considrably less to the same point than rates on yellow pine, very largely; the State of Ohio they would be very much less, would they ot?

Mr. Compton: The rates from Michigan and Wisconsin in cents r hundred pounds would be less in themselves.

Mr. Boatright: Very much less, would they not?

Mr. Compton: I said "less"; not "very much less." They ould be less than the rates on yellow pine from southern terriry, but the rate per ton per mile would be materially higher than ur rate.

Commissioner Fifer: On what do you base the estimate of the te from Michigan and Wisconsin? Is it on white pine or on the eaper grades of lumber?

Mr. Compton: The northern lines—that is to say, the Michigan nd Wisconsin lines—publish their rates on "lumber" just the same s we publish our rates on lumber.

Commissioner Fifer: Don't they discriminate between white pine and the cheaper grades?

Mr. Compton: No, sir. I understand they do not carry

more than one rate on what they call standard lumber. I do not understand that they carry rates on culls. They publish a tariff showing rates on lumber and it applies on all kinds. I took the lumber tariff of the Michigan and Wisconsin lines as printed and have had the figures made from those tariffs.

Commissioner Fifer: Is the Michigan and Wisconsin lumber worth more in the markets of Ohio, Indiana and Illinois than the Georgia lumber?

Mr. Compton: It is worth materially more. I have had occasion to look into the question of the price of yellow-pine lumber at Louisville, sometime ago, and I found that lumber is from 25 to 100 per cent. higher than the Georgia lumber, yellow-pine lumber

Commissioner Fifer: Would that not justify a higher rate from Wisconsin and Michigan?

Mr. Compton: It might, but you must remember this, that there is a lot of that lumber cut in Michigan and Wisconsin that is used all over the country for box material, boxes for dry goods and boots and shoes and hats and caps and that class of business that moves in box cars. You will find that most of that box material is white pine.

890 Mr. Boatright: Is there any competition in that territory from Canadian woods?

Mr. Compton: I think there is some competition in Canadian woods, but I think the competition is restricted because of the duty, but there is competition there and the lumber we have in this country competes successfully with it, and not only in the interior parts of Ohio, Indiana and Illinois, but at the lake ports themselves. Now, we all know that the cheapest means of transportation for lumber and other commodities is by the Great Lakes of this country. There is nothing as cheap in transportation in this country as transportation on the lakes, and notwithstanding the fact that this lumber is and has been for years practically on the water, we still get into that lake country. There must be something in the merits of this southern pine lumber; there must be some merit in the rates.

Mr. Boatright: In so far as these shipments to lake ports consist of car-building materials, could that lumber be supplied from the Canadian side?

Mr. Compton: For car sills?

Mr. Boatright: Yes, sir.

891 Mr. Compton: I think the southern pine is so far superior for the use of car sills that it practically excludes the other.

Mr. Boatright: As to the depletion of the white-pine forests, are they being depleted much more rapidly than our yellow pine?

Mr. Compton: Well, the depletion of those forests began before ours. I think, generally speaking, their territory of production was, in acreage, larger than ours. They commenced first and have depleted much faster than we have. Now, to show the pioneer work,

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the wisdom, if you may so call it, of marketing this lumber to the Middle States—you have had fair rates to the Ohio river and have marketed your product. It has advanced the price of timber lands. That is what is confronting you. The liberality of the railroads is what has marketed this lumber. It is a question on our road, and I suppose on others, as to how long this timber will last. That is the thing that is making money for a lot of people—speculating in timber land.

Mr. Boatright: Do you not believe that what you have moved inland by rail has been as one part to a thousand as compared
392 with that moved by coast for export and domestic use on the whole since this movement began?

Mr Compton: Well, I can answer that by illustrating our own condition. I will say that so far as we are concerned we have moved more than one-thousandth part of the timber produced on our part of the road to the interior as against the movement export and coastwise, and I think what is true of our condition is true of others. I do not think there has been nine hundred and ninety-nine parts moved coastwise as against one by the rail movement. I think that is an impossible thing. I do not see how that could be the possible.

Mr. Boatright: Going back to the time this movement started, when saw-milling began in this section, what would you say has moved by coast, both coastwise and foreign, as compared with the inland.

Mr. Compton: I cannot pretend to say, but I think the figures you gave a minute ago—it seems to me they are so absurd that I cannot conceive of that being possible. Maybe you know, I do not.

Mr. Boatright: I am asking you the question?

Mr. Compton: I do not know.

393 Mr. Boatright: Would you say that the inland movement has been as great as that to the ports?

Mr. Compton: I will say that it has been by our line.

Mr. Boatright: Since the beginning of the saw-mill business in the South?

Mr. Compton: You are going back a long way. Some of the saw-milling interests may have begun before we had a railroad. For instance, take it on the Louisville & Nashville railroad, there might have been saw-mills that sent their lumber in sailing vessels before the road was built.

Com'r Clements: It seems to me that is getting beyond the range of usefulness in this case.

Mr. Compton: I think so. I wanted to explain why I would not answer the question.

Com'r Clements: I suppose you can say, as is generally known, that a great deal more moves inland than goes to the coast for export. Is not that a fact?

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Mr Compton: I think there is not the slightest doubt of it.

Mr. Boatright: What is the weight of white pine as compar with yellow pine moving to western territory?

894 Mr. Compton: Well, it depends on the class or dryness the lumber.

Mr. Boatright: What would be a fair average?

Mr. Compton: I suppose 25 per cent. less would be fair. T reason I make that statement is this: Suppose you take a piece yellow pine from the saw and say it weighs 4 pounds. If you ta a stick of white pine from the saw, it may weigh 3 pounds. If y dry the board, that is the yellow-pine board, you get, say, 2 pounds. If you dry the white pine, you may get 2000 or 2300, you may get less. If you produce that result and keep on goi back, the first thing you know the shrinkage of weight of the whi pine will disappear entirely and there will yet be left some in t yellow pine. That proves two things, that the yellow pine weig a little more when the other is dried out; but as to the amount will dry out, there is a difference between the cut of the saw of whi pine and yellow pine. I think if you take the green from the sa and compare it with the green, it is probably 25 per cent. less o the white pine. If you take it dry in flooring and ceiling, it wi probably be a different percentage. To average the whole, I do n know. But, I say, that 25 per cent., cut of saw, is abo

895 right.

Mr. Boatright: You are not sure that the drying of t white pine would be illustrative of any issue in this case?

Mr. Compton: I was trying to give my idea of the difference i weight. It occurred to me that 25 per cent. is about right, but you undertake to make the representation by the drying process, t white pine would pass away when you had a different proportion the yellow pine.

Mr. Boatright: Then, whatever difference there is in weig should be considered in the comparison of the rates on the t should it not?

Mr. Compton: I do not think so. These rates are assessed p hundred pounds.

Mr. Boatright: Would not more feet of lumber be shipped p given weight of the lighter timber than of the heavier?

Mr. Compton: I am measuring these rates and undertaking show the reasonableness of these rates on yellow pine *versus* wh pine. I believe these rates are reasonable. I believe the white p is passing away and I believe that can be shown, and I am sure t Commissioners hearing this case can get evidence from the Cen Bureau which will be the best evidence possible as to whet

896 or not these northern forests are being depleted. I thi that is a question they can ascertain and get better data than any of us can give them.

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Mr. Boatright: Can you state whether the rates on other lumber from Alabama and Mississippi to these points are the same as on yellow pine? Does that apply to all lumber, or is there a lower rate on other lumbers—cypress and gum.

Mr. Compton: They have no cypress and gum on our road. I think, maybe, on the Mississippi river down around Baton Rouge there may be on shingles. As to the rates in that territory, I am not familiar with them, but so far as we are concerned, we use the same rate on all kinds of lumber.

Mr. Boatright: You spoke about the failure to load lumber cars to capacity. Is not that result brought about largely on account of the long timbers, the lap lumber that necessitates not a full loading on the carrying car and nothing at all on the idler. If box cars alone were considered, would it not be much nearer the marked capacity?

Com'r Prouty: The statement shows box cars and flat cars, Mr. Boatright.

Mr. Compton: They are separated.

Mr. Boatright: Well, it is unnecessary to bother with it. In regard to the territory through which the yellow pine can be distributed, has or has not Arkansas territory west of the Mississippi river which cannot be reached on an equal basis by the States on this side of the Mississippi?

Mr. Compton: Yes, I think so; I think Arkansas and Louisiana and Texas and New Mexico and Colorado and that western tier of states south.

Mr. Boatright: How about Kansas and Nebraska points?

Mr. Compton: As far as Kansas and Nebraska are concerned they have that territory, so far as they are able to compete, I presume, against lumber from the Pacific coast and Michigan. As to the rates from this territory there, you become a longer line all the time and they become a shorter line all the time; that is relatively. They have a less rate to the Missouri river, as I show by this exhibit, than you have from Georgia. There is a condition that cannot be overcome. You cannot run water up hill. When you come to this side of the river, you have got this condition; for instance, on the line of the Georgia and Alabama railroad and the Southern railway, and those points to New England,—that is, to the eastern ports and New England, you have a less rate from Georgia than the Louisville & Nashville railway can give from its Alabama mills to the same points. When you come to Mississippi, the Illinois Central and Mobile & Ohio roads, serving Mississippi, carry a higher rate than the Louisville & Nashville carries from Alabama to the east. Why? Because they cannot get in by Cairo to the eastern territory. When you get to Arkansas they have the same condition, a higher basis again. Georgia has to the east a lower rate than Alabama and Mis-

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sissippi have, or Texas and Arkansas. That is a condition we recognize. I would like to make the same rate from Alabama to the east as from Georgia but I cannot do it.

Com'r Prouty: What do you mean by the "east." Points east of Pittsburg?

Mr. Compton: What I had in mind was Baltimore and points taking Baltimore rates, and Philadelphia and points taking Philadelphia rates.

Mr. Boatright: My reason for making inquiry as to rates from Arkansas west was that I understood you to state this morning that if the rates of the lines reaching the Ohio River gateways
899 were reduced, those lines would probably immediately reduce theirs. If they have a territory peculiarly their own, which we cannot get into, by what right would they object to a reduction of rates into our own territory or territory more peculiarly ours than theirs?

Mr. Compton: I think you probably assume that this territory belongs to you. The other man will say, with equal propriety that the territory is as much his as yours; that is, the Arkansas man will say he has a shorter distance and a higher rate per mile than you. It is not fair for you to assume that that is your territory. He says it is as much his as yours. Because you say so, or because he says so, does not make it so. The fact remains, if you take the rates as they are in effect and take the distances, and measure the rates by the distances and by the conditions—not only the condition as to mileage but the condition as to competition—he is as much entitled to that territory as you are and you cannot make him believe that he is not.

Mr. Boatright: How does the average distance from Arkansas to Cairo compare with the average distance from Georgia to Cincinnati, approximately, unless you have it figured out?

900 Mr. Compton: I am going to tell you something you will find in those statements that you will doubt when I tell you. It is strange, but it is nevertheless true, that the average distance from south Georgia points to Cairo is less than the distance to Cincinnati. I did think, until I produced those statements that the average distance to Cincinnati was less than the distance to Cairo. But it is a fact that the average distance to Cairo is less than to Cincinnati, and the distance from Arkansas and that western producing territory is materially less than your distance to Cairo.

Mr. Boatright: Is there as much as 50 per cent. difference between the two—I mean as between the Arkansas distance to Cairo and the Georgia distance to Cincinnati?

Mr. Compton: You better put it the other way because you get a better comparison.

Mr. Boatright: Well, Cincinnati carries a 50 per cent. higher rat

from our points than Cairo does from the Arkansas points. That is the reason I used the 50 per cent.

Mr. Compton: The average distance from 26 representative points of origin in the Southeast to the Ohio river is 906 miles. That would give you the lowest all the time.

Mr. Boatright: Twenty-six average points in Arkansas?

Mr. Compton: Twenty-six points in the Southeast.

Mr. Boatright: To Cairo?

Mr. Compton: To the Ohio river, using the short line available distance to each point. I took the average of the whole. It is 906 miles. That is the minimum all the time. Now, from Arkansas to Ohio river, the average distance is 479 miles. In other words, they are 427 miles nearer to the Ohio river than you are.

Mr. Boatright: Well, if that is true, why should the rate, we will say from Tifton, to illustrate, to Cincinnati be 24 cents while the rate from Arkansas territory or from Mississippi to Cairo is 16 cents? Is there enough difference in the mileage or the circumstances to warrant that much difference in the rate?

Mr. Compton: Well, this question of rates, as I explained this morning is to produce a total. That is to say, the idea of this adjustment is to make the rates from this territory in Georgia to the territory north of the Ohio river with relation to the rates from Texas, Arkansas and other producing yellow-pine districts. It is true that the rate from Arkansas to Cairo is 16 cents. That is a condition that we cannot overcome and one for which we are not responsible. The rates to the Ohio river, are, in my opinion, just and reasonable rates. Now, if the railroads south of the Ohio river desire to aid the saw-mill people in this country to reach the same territory that Arkansas reaches, it is perfectly reasonable, entirely reasonable for us to construct a through rate which will approximate the through rate from Arkansas. You lay great stress on the fact that it is a 17-cent rate to Cairo as an argument why Cincinnati should be pulled down. You get on the wrong end of the rope. You ought to get on the other end, that the rate to the Ohio river is reasonable and that this is a concession, a departure, something that has never been done in this country before. Why? To enable your lumber to reach that territory by giving you an unnatural rate to Cairo; not that we believe the rate to Cairo is equitable as to one crossing as against the other, but it is put in here so that you may enjoy this rate, which is approximately the same rate as that from Texas and Arkansas. That is a concession the Ohio River rate. That is done for your benefit. But you come here and find on a black board or tariff that you have a 17-cent rate for 900 miles and a 24-cent rate for 900 miles. That 17 cents means nothing except that it is used as a measure—a yard stick. We do not from Alabama carry a rate to Cairo on this low basis. We construct a low rate and use that

fictitious rate as a measure to give us a total in order that our total may be in line with the total from Arkansas, Louisiana and Mississippi. That is all that is used for. It is not fair to measure the rate to Cincinnati with the rate to Cairo.

Com'r Prouty: You say it ought to be assumed that the rate to Cincinnati is a reasonable rate. In 1892 your rate to Cincinnati was 20 cents. It is now 24 cents—not your rate, I should say the rate from G. S. & F. points. It is now 24 cents. That is to say, you have increased that rate 20 per cent. in ten years.

Mr. Compton: Let me see, I have that statement here (referring to papers). You are using G. S. & F. points?

Com'r Prouty: Group No. 1 on the G. S. & F. road. Group No. 2 would be 1 cent more. On January 1st, 1892, that rate was 20 cents to Cincinnati.

Mr. Compton (referring to papers): I have it.

Com'r Prouty: At the present time that same rate is 24 cents.

904 Mr. Compton: Yes, sir.

Com'r Prouty: You have advanced that rate 20 per cent. in those ten years?

Mr. Compton: Yes, sir.

Com'r Prouty: Now, the general result in that ten years is that rates have fallen about 20 per cent. Why do you say a rate is reasonable that is 20 per cent. higher than it was 10 years ago when the general tendency is that rates have been falling and are now about 20 per cent. lower than ten years ago?

Mr. Compton: You single out one point.

Com'r Prouty: I single out that because you say that should be assumed to be reasonable.

Mr. Compton: I mean Cincinnati is reasonable; I mean Louisville is reasonable; I mean Evansville and Henderson and Owensboro and Paducah are reasonable. I mean those are reasonable rates. The Cairo rate seems to me to be unreasonably low.

Com'r Prouty: You may be right about that.

Mr. Compton: Now, as to the average of the whole, I have done this: I have taken, in order to illustrate that the rates of today are not a restoration of former rates—I have taken a fair average
905 of the whole. That is the fair measure, it seems to me as to whether or not it is a restoration. I get these facts out of it——

Com'r Prouty: You have stated the general results before. I simply wanted to ask you why you said he ought to assume that the Cincinnati rate was reasonable instead of assuming that the Cairo rate was reasonable.

Mr. Compton: Well, I feel that the rates to the Ohio River crossings proper are reasonable rates. I tried to show Mr. Boatright that we had a basis to the Ohio river generally that made the rates to the Ohio River crossings the same, taking into consideration the

bridge toll across the river. That is the usual way of producing rates from this section. I made my calculations this way, and it seemed to me it was reasonable. Suppose today we canceled the rate to Cairo from Georgia, that is, the rate to Cairo for beyond, or put it in the same condition that the rate is in from Louisville & Nashville stations to Cairo. From the Louisville & Nashville stations to Cairo it is higher than 17 cents. We simply use that measure, that yard stick, to produce a total from our line. It is confusing, but it is simply a basis for fixing a total rate. It does not belong in this controversy at all.

Com'r Fifer: Suppose it was wiped out. Suppose you repealed the tariff.

Mr. Compton: Suppose we did. Is it not better to have everybody understand that here is the unit of measure; this is the thing by which you measure; this is your standard; use that and you will all come out alike; that is to say, you all have your basis of rates and you will all get the same total and reach the same result by that route. If you have not got that understood so as to produce your total you may be discriminating and getting rates out of shape and creating discrimination as between one originating point and another—creating dissatisfaction and doing inconsistent things. That is simply used to measure the rate, and when we go to work and give you the same total they have from other territory, we have made a concession.

Com'r Fifer: It is only useful in fixing rates north of the Ohio river?

Mr. Compton: That is all. It is not fit for anything else and was never intended for anything else.

Com'r Prouty: It might be perfectly reasonable to let the Ohio River rates stand but you put them up.

Mr. Compton: I did not mean the same "stand" that you mean. I mean let the same basis stand. I did not mean specific figures.

Com'r Prouty: I would like to have you show what effect it would produce on rates north of the Ohio river if you limit this increase from southeastern points to Cairo—apply it to Cairo and not to the other crossings.

Mr. Compton: I will be very glad to do that. I think I can give you some information on that that it would be desirable on our part to have you possess. Would you like everything affected or just representative points?

Com'r Prouty: Oh, some representative points to show in a general way.

Mr. Boatright: Then it is a logical result that every time the Cairo yard stick is expanded it increases the rates all over that Northwest territory—in Illinois, Indiana, New York and Pennsylvania.

Mr. Compton: If you say west of the western termini of the trunk lines, by which we mean west of Buffalo and Pittsburg, then your remarks are all right; but Cairo does not fix the rate to Buffalo or Pittsburg. They are made on Cincinnati. If you reduce Cincinnati from 24 to 22 cents, Pittsburg and Buffalo would reduce
908 2 cents; but if you reduce Cincinnati from 24 to 22, it would not change the rate to Sandusky, Ohio, or Akron, Ohio, or Columbus, Ohio; it might change Columbus half a cent. It would not change Fort Wayne, Muncie and points like that at all.

Mr. Boatright: How do the distances from Arkansas to the Buffalo-Pittsburg territory compare with the distances from Georgia?

Com'r Prouty: Now, those facts are all in the tables, Mr. Boatright.

Mr. Boatright: I have had no opportunity to examine them. If Mr. Compton says they are there that answers the question.

Mr. Compton: I think everything is in here that could possibly be given in the way of distances from representative points to representative points. I tried to make it very complete.

Mr. Boatright: Why was it necessary in making these increases to increase the rates from Georgia points to Chattanooga?

Mr. Compton: Well, my recollection is not quite clear with respect to that, but I think I can give you a fair answer to it. If you take the rate from Georgia to Chattanooga plus the rate to
909 the western termini, it would make a less rate than the rate by Cincinnati.

Mr. Boatright: In other words the increase of 2 cents was made to keep the rate from basing on Chattanooga in preference to Cincinnati?

Mr. Compton: No, I did not say that; I did not mean to say that. You asked me——

Mr. Boatright: Is not the conclusion irresistible?

Mr. Compton: I was trying to give you some information. Why don't you ask me why we changed the rate to Nashville or to Lexington, Kentucky, or to Georgetown, Kentucky, or to Bowling Green? Why don't you ask me that?

Mr. Boatright: Because I don't want to know. I suppose you needed the money and that that was the main reason.

Mr. Compton: Well, I think we did.

Mr. Boatright: What was the reason for increasing the rate at Chattanooga if it was not to keep the rate from basing on Chattanooga?

Mr. Compton: I think what we ought to do in constructing rates from this territory where we have the peculiarities we do in making rates and adjusting them—we try to do the fair thing in this country—our conditions are dissimilar from other sections—we
910 ought to avoid all the time a combination that will permit a misapplication of a rate. I think that is a fair thing to do.

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Our basis is the combination here. We try to so adjust our rates as to have them reasonable, but if you have a combination here or a combination there or something that somebody could drive through and manipulate the rate, I say it is better to put a patch on that fence than to leave a gap in it.

Mr. Boatright: If a patch had not been put on Chattanooga would not the result be something like this: Your line, or the lines to Cincinnati would have accepted 22 cents, and the arbitrary beyond there, being 10 cents, a rate from this territory would have been in effect of 32 cents to Pittsburg. Would not that have been as reasonable as the Cairo arrangement?

Mr. Compton: I say that whatever is reasonable at Cincinnati is reasonable to Pittsburg. Adding to the Cincinnati rate the rate from Cincinnati to Pittsburg—I say that is a reasonable rate. That is a reasonable way to measure that rate. I think that by that process, if you get a total rate that is fair as related to the rates in effect from other points of production of yellow-pine lumber, the rate is fairly adjusted and cannot be considered an unreasonable rate. Suppose you leave this Chattanooga situation open. Suppose you get your rates out of line with Arkansas and Louisiana and Mississippi and Alabama. Suppose you get them out of line, what are you going to do? Are you not discriminating against somebody. Do you say that you must have something for you alone? Can we disregard entirely the fair thing to do for other producing points? I want to adjust the Georgia rates in a fair way. I want to adjust rates from Louisville & Nashville stations in Alabama in a fair way. I think you ought to have your rates fairly adjusted, but I do not think we ought to leave something open——

Mr. Boatright: Is there not a combination now possible through Shenandoah Junction that would make a rate of 32 cents to Pittsburg?

Mr. Compton: If there is, I do not know of it.

Mr. Boatright: What would be the result if such a combination as that should be found to exist?

Mr. Compton: From Georgia?

Mr. Boatright: From Georgia.

Mr. Compton: I think if you have a condition of that sort you ought to call it to the attention of the Georgia lines.

Mr. Boatright: So they could increase it?

Mr. Compton: So the matter could be properly adjusted. I do not hesitate to say to you that if the rates from this territory are less in Pittsburg than the proper basis, I would immediately reduce the rates from Alabama.

Mr. Boatright: Do you know whether the rates from North Carolina to this western territory have been increased at the same time or kept on a parity with these rates?

Mr. Compton: I cannot say. I am not informed.

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Mr. Boatright: That is all.

Mr. Ellis: I want to ask the witness a few questions. Mr. Compton, how many freight associations are there?

Mr. Compton: I suppose in the United States there are a number—a dozen or more.

Mr. Ellis: There is the Southeastern Freight Association, which includes this territory, does it not—I mean Georgia and Florida.

Mr. Compton: The territory of the Southeastern Freight Association is the territory south of the Potomac river and east of a line drawn from Chattanooga to Birmingham and Pensacola.

Mr. Ellis: Are North Carolina, South Carolina and Vir-
913 ginia in the jurisdiction, or included within the territory of the Southeastern Freight Association?

Mr. Compton: I am unable to give you the correct answer to that. I do not know. The Louisville & Nashville is not a member of the Southeastern Freight Association.

Mr. Ellis: But you do know there is a freight association that covers that territory, do you not?

Mr. Compton: I think they have a committee over there that is called "The Associated Railways of Virginia and the Carolinas."

Mr. Ellis: Then, your railway company belongs to the Central Freight Association?

Mr. Compton: I think what you mean is this: What we know as the Central Freight Association is the association having jurisdiction north of the Ohio river. The association of which the Louisville & Nashville is a member is the Southeastern & Mississippi Valley Association, south of the Ohio river and between the Chattanooga and Birmingham line and the Mississippi river. Of that association we are a member.

Mr. Ellis: Is it not true that every railroad company in this whole southern country and western country, so far as you know be-
914 longs to an organization of this kind, similar in character and purpose?

Mr. Compton: I think there are exceptions. I do not know that I could give exceptions, there are exceptions, however.

Mr. Ellis: Mr. Compton, if you apply arbitraries north of the Ohio river, would there be any use for the Cincinnati or Louisville gateways into this territory?

Mr. Compton: I do not like the term you use there. I do not like the term "arbitraries." I do not think that is a fair thing to say of these rates north of the Ohio river. These rates north of the Ohio river are tariff rates which are applied as a proportion of the through rate.

Mr. Ellis: I do not mean to use an offensive term when I say "arbitrary." I will use the term "fixed payments" beyond there. In other words, if every railroad north of the Ohio river was admitted to an individual mileage charge for freight actually earned,

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would there be any use for the Cincinnati gateway from this territory?

Mr. Compton: I do not believe I understand your question, but I will say this——

915 Mr. Ellis: Your honors, I do not want the witness to make another able argument in the case. I would rather withdraw the question.

Mr. Compton: Ask the question again.

Mr. Ellis: As I understand the question, there is a practical necessity upon all these Georgia shippers of lumber to base their rate on Cairo, because that is the lowest. Is not that true?

Mr. Compton: That is the measure that fixes the total.

Mr. Ellis: Now, what is the use of having any tariff denomination in Cincinnati and Louisville?

Mr. Compton: Why, Mr. Ellis, there has been a movement of lumber ever since I can remember, and I am pretty nearly 50—I was born on the Ohio river—there has been a movement of lumber from all of these Ohio River crossings to the Middle States. That is the necessity for the rate from the Ohio river. There is a movement there and has been for years.

Mr. Ellis: Now, if that is the only necessity for it, would not that necessity be obviated if you could knock out from points beyond the Ohio any combination charge.

Mr. Compton: Well, the rates north of the Ohio river are not fixed or controlled by any of the lines south of the Ohio
916 river. There is not a line south of the Ohio river that has any voice in the construction of those rates any more than the lines north have a voice in the construction of our rates. These rates south of the river are ours to fix and not theirs to force.

Mr. Ellis: Is it not a place where combination meets combination?

Mr. Compton: If you speak of combinations in the sense of the addition of two rates, one with the other, that is the combination I speak of. If you speak of combinations between the railroads to fix a rate, that is another thing. I am not answering as to that.

Mr. Ellis: Instead of these lines that are knocked out to equalize the situation in a vast territory, why would it not be a fair thing to avoid universal combination and to let every producer come into contact with his nearest consumer? Would not that be a good thing to do?

Mr. Compton: If you interject that theory into the rate adjustment of this country and undertake to carry it out, you would have more business in the courts than you could attend to, because your rates would be in a bad shape and I do not think you could defend them.

917 Mr. Ellis: I do not mean to suggest that it would be wise to do it, but I am asking you, as between the consumer and

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producer whether that would be the fairest way to do it, if it could be done.

Mr. Compton: I think the consumer ought to have the benefit of competition.

Mr. Ellis: Even though he has to go out of his way to get it?

Mr. Compton: I think the producer ought to have a wide market. I think the consumer ought to have a wide market to purchase from. I think this adjustment is made for that purpose, to give the consumer a wide market to purchase from and to give the producer a wide market to sell in.

Mr. Ellis: Now, Mr. Compton, does not this arrangement, or a similar arrangement, keep the North Carolina product from coming into this territory north of the Ohio river?

Mr. Compton: I stated awhile ago that I was not familiar with the North Carolina situation, but I will say this——

Mr. Ellis: If you are not familiar with it——

Mr. Compton: I want to add something to my previous remarks. The competition from North Carolina in the territory that is
918 reached by the Louisville & Nashville railroad from its producing points has not been a potent factor—has not been the means of causing me any anxiety to reduce the rates from Alabama.

Mr. Ellis: According to your opinion, would it not be of advantage to the North Carolina man to get into that territory, even though he had to base on Cairo?

Mr. Compton: You are bringing about an entirely new situation that I do not think has any bearing on this case.

Mr. Ellis: Then, you do not think that it is an advantage to a producer to get into a territory unless you consider the manner and method of his getting in there?

Mr. Compton: I have made no remarks that would give you reason to draw such a conclusion.

Mr. Ellis: I understood you to say that you thought the wider the field of territory opened to a man the better for him.

Mr. Compton: I think, speaking broadly, that the wider the field of purchase, the wider the field of competition from the producing point—I think to that extent conditions are beneficial.

Mr. Ellis: Did your company have a representative at the meeting held in Atlanta where this advance in rates was finally de-
919 termined upon, if it was so determined?

Mr. Compton: I do not know of any meeting except a meeting that the Georgia Saw Mill Association suggested. It was a meeting for conference with the southern lines and was held at the Piedmont hotel. That is the only meeting I know anything about, except that there was a previous meeting here, called at the suggestion of the Georgia Saw Mill Association, which I could not attend, because I was attending court at Tallahassee, Florida, and

could not get here. At those two meetings the saw-mill people, I think, presented their case to the railroads.

Mr. Ellis: Do you know when Mr. Parrott issued the final declaration in the case—you do know when he did that, do you not—to go into effect April 15th?

Mr. Compton: No, sir; I have not said that Mr. Parrott did anything of the sort.

Mr. Ellis: I did not say you did. I asked you about it.

Mr. Compton: I propose to answer that specifically. Mr. Parrott has no jurisdiction——

Mr. Ellis: I withdraw the question.

Mr. Compton: I am not subject to the dictation of Mr. Parrott. The Louisville & Nashville railroad fixes the rates for itself.

Com'r Clements: You can tell whether or not Mr. Parrott did that.

Mr. Compton: He has never issued any rates for us and has not made any announcements for us.

Mr. Ellis: I meant the announcement to put it in effect in this territory.

Mr. Compton: We do not publish rates from Georgia.

Mr. Ellis: You receive communications as to the action of this Southeastern Freight Association?

Mr. Compton: We received advices from the individual lines in the southeast territory that they had advanced their rates April 15th. That is what we received and we did not receive anything else.

Mr. Ellis: Is the method of procedure in the freight association to which your company belongs, similar to the one that is in force in this territory?

Mr. Compton: Not having membership in this association I could not tell about their methods.

Mr. Ellis: Did you not hear the constitution and by-laws read here the other day?

Mr. Compton: Yes, sir; I heard Mr. Culp read them.

Mr. Ellis: Are they like yours?

Mr. Compton: I cannot remember, but if the Commission desires copy of the rules of organization of the Southeastern and Mississippi Valley Association, I shall take pleasure in furnishing it.

Mr. Ellis: I would like you to furnish it, please?

Mr. Compton: I think you have them in Washington.

Com'r Clements: I guess so. Generally they are furnished. If you can furnish an extra copy for Mr. Ellis, you may do so. We do not take them off our files. You might let him have a copy if you can do so.

Mr. Ellis: We have no further questions.

Com'r Clements: You furnished a statement, which has been referred to several times, showing the movement of yellow-pine lum-

ber from Georgia to points on and beyond the Ohio river for the month of March last—six hundred and some odd cars.

Mr. Compton: Yes, sir.

Com'r Clements: I suppose you could readily prepare a similar statement for the months of September and October after the end of this month?

922 Mr. Compton: I think so.

Com'r Clements: And also from points in Alabama for March, September and October?

Mr. Compton: I think so.

Com'r Clements: If you will do so as soon as you can after you know what the shipments for this month are, we would be glad to have it.

Mr. Compton: Do you desire it made up in the same form?

Com'r Clements: Just like the March statement.

(The same is hereto annexed and marked "Exhibit Z to Mr. Compton's testimony.")

Com'r Clements: Mr. Baxter, do you want to ask anything further of this witness?

Mr. Baxter: No, sir.

The witness was excused.



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Exhibit "A."

(See p. 718.)

Exhibit A is a statement showing the shipments of lumber from rious points in Georgia therein stated, to the various points of stination therein stated in the territory in question, in said bill complaint, moving over the Louisville & Nashville Railroad Comny's lines during the month of March, 1903; also showing the e of shipment, rate, amount of freight, weight, class of lumber l the net value thereof at the point of shipment.

The shipments as set forth in said exhibit represent a fair average the character of lumber moving from points therein stated to the nts of destination therein stated, and present a fair average of character of lumber transported from Georgia points to points the Ohio river and north thereof.

The shipments cover both high and low grades of lumber.

ere follow tables, part of Exhibit A, marked pp. 922-2, 922-3, and 922-4.)

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Exhibit B to Mr. Compton's Testimony.

(See p. 721.)

Rates on Pig Iron—Car-loads.

From—		Birmingham.			Chattanooga.			Sheffield.			Total.		
To—		Rate and divisions.	Miles.	Rate per ton per mile.	Rate and divisions.	Miles.	Rate per ton per mile.	Rate and divisions.	Miles.	Rate per ton per mile.	Rate and divisions.	Miles.	Rate per ton per mile.
Cincinnati		2.75	481	5.7	2.25	338	6.7	2.50	425	5.9	7.50	1,244	6.0
Louisville		2.50	394	6.4	2.25	312	7.2	2.25	315	7.1	7.00	1,021	6.9
Evansville		2.75	366	7.5	2.50	310	8.1	2.50	289	8.7	7.75	965	8.0
E. St. Louis		3.25	485	6.7	3.00	447	6.7	2.80	364	7.7	9.05	1,296	7.0
Chicago	To Evansville	2.25	366	6.2	2.00	310	6.5	2.00	289	6.9	6.25	965	6.5
	Beyond	1.60	287	5.6	1.60	287	5.6	1.60	287	5.6	4.80	861	5.6
	Through	3.85	653	5.9	3.60	597	6.0	3.60	576	6.2	11.05	1,826	6.0
	To Louisville	2.15	394	5.5	1.90	312	6.1	1.90	315	6.0	5.95	1,021	5.8
	Beyond	1.70	304	5.6	1.70	304	5.6	1.70	304	5.6	5.10	912	5.6
	Through	3.85	698	5.5	3.60	616	5.8	3.60	619	5.8	11.05	1,933	5.7
Toledo	To Cincinnati	2.40	481	5.0	1.90	338	5.6	2.15	425	5.1	6.45	1,244	5.2
	Beyond	1.35	203	6.7	1.35	203	6.7	1.35	203	6.7	4.05	609	6.7
	Through	3.75	684	5.5	3.25	541	6.0	3.50	628	5.6	10.50	1,853	5.7

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(78) Exhibit "C"-R.B. Long
See testimony p. 5

EXHIBIT "C"

CHICAGO MARKET ON YELLOW PINE LUMBER, JANY 1, 1891 TO MAR/31, 1903

	1891	Frt Rate to Chicago From Group 1		1892	Fr't Rate to Chicago from Group 1
First Quarter					
A	$23.00-25.00	#25¢	x28¢	$21.00-22.00	24¢
B	15.00-16.00	#25¢	x28¢	15.00-16.00	24¢
C	....			21.50-23.50	24¢
Second Quarter					
A	$22.00-24.00	#25¢	x28¢	18.00-	24¢
B	15.00-16.00	#25¢	x28¢	14.00-	24¢
C	....			21.00-23.00	24¢
Third Quarter					
A	$21.00-22.00	#25¢	x28¢	17.00-18.00	24¢
B	15.00-16.00	#25¢	x28¢	14.00-	24¢
C	....			21.50-	24¢
Fourth Quarter					
A	$21.00-22.00	24¢	Nov 28,	17.50-18.00	24¢
B	15.00-16.00	24¢	1891	14.00-15.00	24¢
C	....	24¢		20.00-22.00	24¢

	1893		1894	
First Quarter				
A	$17.50-18.00	24¢	$16.50-17.00	24¢
B	15.00-16.00	24¢	12.00-13.00	24¢
C	20.00-22.00	24¢	17.50-20.00	24¢
Second Quarter				
A	17.50-18.00	24¢	15.00-16.00	22¢ May 17,
B	14.00-15.00	24¢	11.00-12.00	22¢ 1894
C	20.00-22.00	24¢	17.50-20.00	22¢
Third Quarter				
A	17.50-18.00	24¢	16.00-	22¢
B	14.00-15.00	24¢	12.00-13.00	22¢
C	20.00-22.00	24¢	17.50-20.00	22¢
Fourth Quarter				
A	17.00-	24¢	16.00-	22¢
B	13.00-14.00	24¢	12.00-13.00	22¢
C	20.00-22.00	24¢	17.50-20.00	22¢

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922-10 **Exhibit "D"—Mr. Compton.**

(See p. 736.)

Statement of Lumber Shipments from Points in Georgia Transported by the Louisville & Nashville Railroad During the Month of March, 1903, to Ohio River Points and Beyond, and Michigan and Wisconsin, Including Lake Ports.

	No. of cars.	
Destined to Ohio River points and beyond..	361	55.1%
Destined to points in Michigan, and Wisconsin, including lake ports.....	294	44.9%
	655	100

Destinations by States:

Kentucky.....	39
Ohio.....	194
Illinois	166
Indiana.....	135
Michigan	92
Iowa	2
Minnesota.....	2
Wisconsin.....	3
Pennsylvania.....	15
West Virginia.....	2
New York.....	4
Ontario	1
	655

	Cars.	Weight.	
Proportion consigned to R. R. Cos. and car man'f'rs.....	417	17,895,384	63.2%
Proportion consigned to other consignees..	238	10,531,660	36.8%
	655	28,517,044	100

(See Testimony, p. 743.)

Rates on Fir Lumber, Car-loads, and Distances from Pacific Coast Points.

From— / To—	Tacoma, Wash.			Portland, Ore.			Seattle, Wash.			Recapitulation.		
	Rate.	Distance.	Rate per ton per mile.	Rate.	Distance.	Rate per ton per mile.	Rate.	Distance.	Rate per ton per mile.	Rate.	Distance.	Rate per ton per mile.
Chicago	50	2,321	.43	50	2,292	.43	50	2,222	.45	150	6,835	.438
St. Paul	40	1,912	.42	40	1,862	.43	40	1,813	.44	120	5,587	.430
Omaha	50	1,913	.52	50	1,799	.55	50	1,923	.52	150	5,635	.532
Kansas City	50	2,069	.48	50	2,029	.49	50	2,089	.48	150	6,187	.485
St. Louis	52.5	2,331	.45	52.5	2,312	.45	52.5	2,351	.45	157.5	6,994	.450
Cleveland	60	2,660	.45	60	2,631	.45	60	2,561	.47	180	7,852	.458
Pittsburg	62.5	2,789	.45	62.5	2,760	.45	62.5	2,690	.47	187.5	8,239	.455
Cincinnati	60	2,620	.46	60	2,590	.46	60	2,521	.48	180	7,731	.465
Evansville	60	2,495	.48	60	2,477	.48	60	2,515	.48	180	7,487	.481
Total mileage		21,110			0,752			20,685			62,547	
Average mileage		2,345.5			22,305.8			2,298.3			2,316.5	
Total rate	485			485			485			1,455		
Average rate	53.9			53.9			53.9			53.9		
Rate per ton per mile			.46			.47			.47			
Average rate per ton per mile (mills)												4.65

922-12

Exhibit F—Mr. Compton.

(See p. 749.)

Rates on Pine Lumber from Points in Michigan to Points in C. F. A. Territory.

From—	Bay City, Mich.			Grand Rapids, Mich.			Manistee, Mich.			Pt. Huron, Mich.			Saginaw, Mich.			Traverse City, Mich.			Total.					
To—	Rate.	Miles.	Rate per ton per mile.	Rate.	Miles.	Rate per ton per mile.	Rate.	Miles.	Rate per ton per mile.	Rate.	Miles.	Rate per ton per mile.	Rate.	Miles.	Rate per ton per mile.	Rate.	Miles.	Rate per ton per mile.	Total mileage.	Average mileage.	Total rate.	Average rate.	Rate per ton per mile.	Average rate per ton per mile.
Cincinnati	13	350	7.4	13	309	8.4	16	424	7.6	12	320	7.5	13	338	7.7	18	454	7.6	2,195	366	85	14.2	7.7	.....
Louisville	17	421	8.1	14	352	8	19	467	8.1	15	430	7	17	410	8.3	18	497	7.6	2,577	430	101	16.8	7.8	.....
Evansville	18.5	499	7.4	15.5	428	7.2	20.5	569	7.2	20.5	491	8.4	18.5	484	7.6	21.5	604	7.2	3,075	513	115	19.2	7.5	.....
Cairo	21	495	8.5	19	440	8.6	21	554	7.6	21	487	8.6	21	483	8.7	24	588	8.2	3,047	508	127	21.2	8.3	.....
Columbus	12	277	8.7	12	289	8.3	15	403	7.4	11.5	241	9.5	12	265	9.1	17	457	7.8	1,912	319	79.5	13.3	8.3	.....
Cleveland	11	260	8.5	12	279	8.6	14	390	7.2	11	230	9.6	11	248	8.9	16	387	8.3	1,794	299	75	12.5	8.4	.....
Indianapolis	13	330	7.9	11.5	261	8.8	16	376	8.5	11	222	6.8	13	318	8.2	17	402	8.4	2,013	336	81.5	13.6	8.1	.....
Terre Haute	15	377	8	12	310	7.7	16.5	425	7.8	12	295	6.1	15	365	8.2	17	453	7.5	2,325	388	87.5	14.6	7.5	.....
Pittsburg	14	391	7.2	14.5	414	7	17	525	6.5	14	365	7.7	14	361	7.8	18	522	6.9	2,600	433	91.5	15.3	7	.....
Chicago	10	299	6.7	9	245	7.3	10	303	6.6	10	335	6	10	283	7.1	13	334	7.8	1,799	300	62	10.3	6.9	.....
Total mileage	.....	3,609		132.5	3,527	.....	.....	4,436	.....	138	3,616	.....	144.5	3,577	.....	.....	4,692	.....	23,317	.....	.....	.....	.....	.....
Average mileage	.....	379		13.3	333	.....	.....	444	.....	13.8	362	.....	14.5	358	.....	.....	469	.....	.....	.....	.....	.....	.....	.....
Total rate	144.5	.....	.....	.....	.....	.....	165	.....	.....	126	.....	.....	145	.....	.....	180.5	.....	.....	.....	389	.....	.....	.....	.....
Average rate	14.5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	18.1	.....	.....	.....	.....	905	15.1	.....	.....
Rate per ton per mile	.....	.....	7.8	.....	.....	8	.....	.....	7.4	.....	.....	7.6	.....	.....	8.1	.....	.....	7.7	.....	.....	.....	.....	.....	.....
Average rate per ton per mile	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7.8

BOOK TOO LARGE FOR FILMING. BOUND CLOSE IN CENTER

22-13

Exhibit G—C. B. Compton.

(See Testimony, p. 749.)

Lumber, C. L., from Points in Minnesota and Wisconsin to Chicago, Ill.

To Chicago, Ills., from—	Lumber, C. L., per hundred pounds.		
	Distances.	Rates.	Rates per ton per mile.
Fond du Lac, Minn.	458	12	5.2
Stillwater, "	398	10	5.0
Moquet, "	460	12	5.2
Carlton, "	454	12	5.3
Winona, Wis.	297	10	6.7
Hurley, "	328	12	7.3
Star Lake, "	404	11	5.4
Green Bay, "	197	8½	8.6
Eau Claire, "	322	10	6.2
Woodruff, "	279	11	7.9
Total mileage	3597		
Average mileage	359.7		
Total rate		108½	
Average rate		10.8½	
Total rate per ton per mile			6.03

Exhibit H—Mr. Compton.

(See p. 751.)

Rates on Yellow-pine Lumber from Ohio River Crossings to C. F. A. Territory.

From—	To—	Chicago, Ills.			Detroit, Mich.			Cleveland, O.			Indianapolis, Ind.			Pittsburg, Pa.			Recapitulation.		
		Rate.	Distance.	Rate per ton per mile.	Rate.	Distance.	Rate per ton per mile.	Rate.	Distance.	Rate per ton per mile.	Rate.	Distance.	Rate per ton per mile.	Rate.	Distance.	Rate per ton per mile.	Rate.	Distance.	Rate per ton per mile.
Cincinnati		10	299	.67	10	263	.76	10	243	.82	7	110	1.27	10	309	.65	47	1224	.768
Louisville		11	304	.72	12	373	.64	13	353	.74	8	110	1.45	14	419	.67	58	1559	.744
Evansville		10	287	.70	12	433	.55	14	451	.62	7	168	.83	16	541	.59	59	1880	.628
Cairo, Ills.		10	295	.35	14	541	.52	15	559	.54	9	276	.65	18	649	.55	66	2280	.582
Total mileage			1295			1610			1606			664			1918			7063	
Average mileage			314			402[2]			401[2]			166			479[2]			3526	
Total rate		41			48			52			31			58			230		
Average rate		10[3]			12			13			7[3]			14[3]			11[3]		
Rate per ton per mile				.653			.596			.648			.934			.553			.652
Average rate per ton per mile (mile)																			

Compton

EXHIBIT "J" Thompson Rep 759. (35)

SCHEDULE OF PRICES OF BRIDGE MATERIAL AS CONTRACTED FOR BY THE LOUISVILLE & NASHVILLE RAILROAD FOR THE YEAR 1903.

Sizes	LENGTH OF PIECES Feet 12 to 18	Feet 19 to 24	Feet 25 to 30	Feet 31 to 36	Feet 37 to 40	Feet 41 to 46
8 x 8	$11.00	$12.00	$12.50	$15.00	$16.50	$18.00
8 x 10	11.00	12.00	13.50	15.50	17.50	19.00
8 x 12	12.00	13.00	14.00	16.00	18.00	20.00
8 x 14	13.50	15.00	16.00	18.00	20.00	22.00
8 x 16	17.00	18.50	21.00	23.00	25.00	29.00
8 x 18	20.00	22.50	25.00	29.00	33.00	38.00
8 x 20	23.00	26.00	28.00	36.00	45.00	....
10 x 10	12.00	13.00	14.00	15.00	17.00	21.00
10 x 12	12.50	13.50	14.50	16.50	20.00	24.00
10 x 14	15.00	16.50	18.50	20.00	23.00	26.00
10 x 16	18.00	21.00	22.50	25.00	30.00	35.00
10 x 18	22.00	25.00	27.00	32.00	35.00	....
10 x 20	25.00	28.00	32.00	36.00	....	....
12 x 12	12.50	14.00	16.00	18.00	20.00	25.00
12 x 14	16.50	18.50	20.00	22.00	27.00	32.00
12 x 16	21.00	25.00	27.00	30.00	35.00	....
12 x 18	24.00	30.00	33.00	40.00	45.00	....
12 x 20	28.00	33.00	35.00	42.00	....	....
14 x 14	18.50	21.00	25.00	28.00	33.00	....
14 x 16	23.00	26.00	30.00	35.00	40.00	....
14 x 18	26.00	30.00	35.00	40.00	....	....
14 x 20	28.00	35.00	40.00	45.00	....	....

722-16

222-17 **Exhibit "K"—C. B. Compton.**

(See Testimony, p. 762.)

Statement Showing the Total Number of Cars of Yellow-pine Lumber Hauled by the Louisville & Nashville Railroad During the Month of March, 1903, from the State of Georgia.

Statement shows the number of each kind of cars used, the percentage of each, the total capacity and the average capacity of the different kinds of cars, and the percentage the loading of same bears to the capacity.

Box					435	66.4%
Flat					209	31.9%
Gonds					9	1.4%
Stock					2	.3%
					655	100
Capacity	37	824	000	Average	57	546	
Actual loading	28	517	044	Average	43	537	75.4%
Box, 435:							
Capacity	24	223	000	Average	55	685	
Actual loading	18	726	876	Average	43	058	77.3%
Flat:							
Capacity	13	030	000	Average	62	296	
Actual loading	9	388	218	Average	44	918	72.1%
Gonds. and stock:							
Capacity		571	000	Average	51	909	
Actual loading		101	950	Average	36	541	70.4%

222-18 **Exhibit "L"—Mr. Compton.**

(See p. 765.)

Exhibit "L" is a statement headed: "Statement showing proportions accruing to lines south of the Ohio River crossings, Cairo to Cincinnati inclusive, in the division of rates on lumber from Southeastern territory to points of destination named."

Said exhibit shows that the average of the rates per ton per mile on lumber, accruing south of the Ohio river from 26 representative

points of origin in Georgia and Florida, to 32 representative of destination, in Illinois, Wisconsin, Ohio, Indiana, Penns and New York, via all of the Ohio River crossings is 5.17 m

Said statement shows the specific rates from representative of origin, in Georgia and Florida, each of which is enumerat fairly represent the points of origin, or grouping of shipm yellow-pine lumber.

Said statement shows the rate from each of said points o to each of said points of destination.

Said statement also shows the proportions accruing south Ohio river, from each of said points of origin, to each of said of destination.

Said statement also shows the rate per ton per mile, accruin of the Ohio river, from each of said points of origin to each Ohio River crossings.

Said statement also shows the average of rates per ton p accruing south of the Ohio river, from all of said points of or each of said points of destination.

Said 32 points of destination are fairly representative of th tory north of the Ohio river, in which southern yellow marketed.

Said statement also shows the average of the through rat each of said points of origin to all of said points of desti

922–19 Said statement shows the distance from each of sai of origin to each of said Ohio River crossings.

Said statement also shows the proportions accruing s the Ohio river from each of said points of origin to each destinations, via each of said Ohio River crossings.

Said statement also shows the average of the mileages fr of said points of origin to each of said Ohio River crossing

Said statement also shows the total of the proportions a south of the Ohio river to each of said Ohio River crossing

Said statement also shows the average of the proportion ing south of the Ohio river to each of said Ohio River cr

Said statement also shows the rate per ton per mile fro of said points of origin, accruing south of the Ohio river, of said Ohio River crossings.

Said statement also shows the average of the rates per mile from each of said points of origin, accruing south of t river, to all of said Ohio River crossings.

The above is summarized in a recapitulation, which sh total distance from all of said points of origin to each of s River crossings. (The shortest distance by any available used in making these calculations.)

Said recapitulation also shows the total of the proportions south of the Ohio river from all of said points of origin of said points of destination, via each of said Ohio River

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Said recapitulation also shows the average of the distances south of the Ohio river, from all of said points of origin to each of said Ohio River crossings.

922-20 Said recapitulation also shows the average of the rates per ton per mile accruing south of the Ohio river from all of said points of origin to each of said points of destination, via each of said Ohio River crossings.

Said recapitulation also shows the average of the rates per ton per mile accruing south of the Ohio river, from all of said points of origin to each of said points of destination, via all of said Ohio River crossings.

Said recapitulation also shows the average of the through rates from all of said points of origin to all of said points of destination.

Said recapitulation shows the total of the mileages to each of said Ohio River crossings from all of said points of origin.

Said recapitulation also shows the total of the proportions accruing south of the Ohio river, from all of said points of origin, to each of said Ohio River crossings.

Said recapitulation also shows the average of the proportions accruing south of the Ohio river, from all of said points of origin, to each of said Ohio River crossings.

Said recapitulation also shows the average of the proportions accruing south of the Ohio river, from all of said points of origin, to each of said points of destination, via all of said crossings.

Said recapitulation also shows the average of the proportions accruing south of the Ohio river, from all of said points of origin, to all of said points of destination, via all of said Ohio River crossings.

Said recapitulation also shows the average of the rates per ton per mile from all of said points of origin to all of said points of destination, via each of said Ohio River crossings.

922-21 Said recapitulation also shows that the average of the rates per ton per mile, accruing south of the Ohio river, from all of said points of origin, to all of said points of destination, via all of said Ohio River crossings, is 5.17 mills.

Attached to said Exhibit "L" is a map, showing the location of said points of origin mentioned in said exhibit, and the routes to the Ohio river, over which the business is handled to the points of destination mentioned in said exhibit.

(Blue print, part of Exhibit L, marked page 922-22, omitted from record by direction of counsel.)

(Here follow tables marked pages 922-23 to 922-27, inclusive.)

922-31

GRAND TOTAL.

	Average through rate.	Distances.				Average proportion south of Ohio river.	Average distances.				Average rate per ton per mile south of Ohio river.
		18,381	18,220	18,514	19,090		707	701	712	733	
		Total prop'n south of Ohio river to—					Rate per ton per mile south of Ohio river to—				
		Cairo.	Evansville.	Louisville.	Cincinnati.		Cairo.	Evansville.	Louisville.	Cincinnati.	
Rock Island.....Ill.....	27.6	455.5	455.5	325.5	325.5	15.1	4.91	4.96	3.49	3.39	4.19
Quincy..... "	27.6	455.5	455.5	377.5	377.5	16.1	4.91	4.96	4.05	3.93	4.45
Litchfield..... " ...	25.1	448.4	443.74	365.74	365.74	15.6	4.83	4.83	3.91	3.80	4.34
Peoria..... "	26.6	455.5	463.5	429.5	403.5	16.9	4.91	5.04	4.60	4.20	4.69
Streator..... " ...	27.6	455.5	455.5	429.5	430.5	17.1	4.91	4.96	4.60	4.48	4.74
Joliet..... " ...	27.6	455.5	455.5	429.5	455.5	17.4	4.91	4.96	4.60	4.74	4.80
Chicago..... "	27.6	455.5	455.5	429.5	455.5	17.4	4.91	4.96	4.60	4.74	4.80
Danville..... "	26.6	455.5	507.5	429.5	455.5	17.9	4.91	5.53	4.60	4.74	4.95
Milwaukee.....Wis...	30.6	455.5	455.5	429.5	455.5	17.3	4.91	4.96	4.60	4.74	4.80
Michigan City.....Ind...	27.7	459.5	459.5	433.5	459.5	17.5	4.95	5.00	4.64	4.77	4.84
Terre Haute..... " ...	25.8	455.5	509.5	457.5	483.5	18.4	4.91	5.55	4.90	5.02	5.10
Vincennes..... " ...	23.6	455.5	481.5	403.5	403.5	16.7	4.91	5.24	4.32	4.25	4.68
Logansport..... " ...	28.6	455.5	507.5	481.5	507.5	18.9	4.91	5.53	5.26	5.27	5.21
Indianapolis..... " ...	26.7	511.5	511.5	477.5	511.5	19.4	5.52	5.57	5.22	5.31	5.38
Elkhart..... " ...	29.5	455.5	507.5	481.5	507.5	18.9	4.91	5.53	5.16	5.27	5.21
Frankfort..... " ...	27.6	456.5	507.5	481.5	507.5	18.9	4.93	5.53	5.16	5.27	5.21
Greencastle..... " ...	27.6	457.5	533.5	505.5	533.5	19.6	4.94	5.75	5.42	5.55	5.43
Kalamazoo.....Mich..	31.6	455.5	507.5	507.5	533.5	19.1	4.91	5.58	5 44	5.55	5.36
Jackson..... " ...	31.6	455.5	507.5	507.5	559.5	19.6	4.91	5.53	5.44	5.82	5.39
Grand Rapids..... " ...	31.6	455.5	507.5	481.5	507.5	18.9	4.91	5.53	5.16	5.27	5.21

Detroit	"	31.6	455.5	507.5	507.5	559.5	19.6	4.91	5.53	5.44	5.82	5.39
Alvordton	O.	31.6	455.5	507.5	507.5	559.5	19.6	4.91	5.53	5.44	5.82	5.39
Toledo	"	31.6	455.5	507.5	507.5	585.5	19.9	4.91	5.53	5.44	5.82	5.39
Dayton	"	28.8	423	475	475	620.5	19.2	4.54	5.21	5.07	6.09	5.49
Sandusky	"	31.6	455.5	507.5	507.5	584.5	19.9	4.91	5.47	5.44	6.43	5.30
Bellaire	"	33.9	414.5	466.5	518.5	620.5	19.4	4.46	5.14	5.54	6.08	5.49
Columbus	"	30.6	455.5	481.5	481.5	598.5	19.5	4.74	5.26	5.17	6.44	5.39
Mansfield	"	31.6	455.5	507.5	507.5	598.5	20	4.74	5.48	5.44	6.22	5.39
Gallipolis	"	32.6	455.5	507.5	533.5	611.5	20.4	4.74	5.53	5.71	6.22	5.52
Cleveland	"	32.6	456.5	480.5	508.5	586.5	19.9	4.92	5.23	5.38	6.37	5.63
Pittsburg	Pa.	33.9	413.5	465.5	517.5	621.5	19.5	4.62	5.09	5.53	6.10	5.41
Buffalo	N. Y.	34.0	416.5	468.5	520.5	624.5	19.5	4.95	5.12	5.56	6.45	5.38
Average through rate		29.5									6.48	5.41
Total mileage to river			588,192	583,040	592,448	610,880						
Average mileage to river												
Total prop'n south of Ohio river			14,478.4	15,569.74	14,956.74	16,410.24		707	701	712	733	
Average prop'n south of Ohio river			17.4	18.8	18.0	19.7	18.5					
Rate per ton per mile (mills)								4.92	5.32	5.04	5.37	
Average rate per ton per mile (mills)												5.17

922–32 **Exhibit "N," Mr. Compton.**

(See p. 788.)

Exhibit N is a statement showing the proportions, which are the regular tariff rates, accruing to the lines north of the Ohio River crossings, in the division of the rates on lumber from southeastern territory to the points of destination shown, 32 in number, which are the same points of destination as shown in Exhibits L and M.

It shows the rate, the distances and the rate per ton per mile from Cairo to each point of destination.

It shows the rate, the distances, and the rates per ton per mile from Evansville to each point of destination.

It shows the rate, the distances and the rate per ton per mile from Louisville to each point of destination.

It shows the rate, the distances and the rate per ton per mile from Cincinnati to each point of destination.

It shows the total of the rates from the several Ohio River crossinge to each point of destination.

It shows the average rate accruing to the line north of the Ohio river from all Ohio River crossings to each point of desti-

922–33 nation.

It shows the total of the distances from the Ohio River crossings to each point of destination.

It shows the average mileage from the Ohio River crossings to each point of destination.

It shows the average rate per ton per mile accruing north of the Ohio River crossings, from the Ohio River crossings, to each point of destination.

It shows the total of the distances from each Ohio River crossing to all points of destination.

It shows the average mileage from each Ohio River crossing to all points of destination.

It shows the total of the rates from each Ohio River crossing to all points of destination.

It shows the average rate from each Ohio River crossing to all points of destination.

It shows the rate per ton per mile from each Ohio River crossing to all points of destination.

922–34 It shows the average mileage from all Ohio River crossings to all points of destination.

It shows the average rate from all Ohio River crossings to all points of destination.

It shows the average rate per ton per mile accruing to the lines north of the Ohio river on yellow-pine lumber from the South to be 6.91 mills per ton per mile.

922–35 *Statement Showing Proportions (Which Are Regular Tariff Rates) Accruing to Lines North of Ohio River Crossings, Cairo to Cincinnati, Inclusive, in the Division of Rates on Lumber from Southeastern Territory to the Points of Destination Named.*

From—	Cairo.			Evansville.			Louisville.			Cincinnati.			Totals.					
To—	Rate.	Miles.	Rate per ton per mill, mills.	Rate.	Miles.	Rate per ton per mile, mills.	Rate.	Miles.	Rate per ton per mile, mills.	Rate.	Miles.	Rate per ton per mile, mills.	Total rate.	Average rate.	Total miles.	Average miles.	Total rate per ton per mile.	Average rate per ton per mile.
Rock Island.....Ill.....	10	374	5.35	10	339	5.90	15	412	7.28	15	413	7.26	50	12.5	1,538	384.5	25.79	6.45
Quincy..... "	10	287	6.97	10	291	6.84	13	413	6.30	13	404	6.44	46	11.5	1,395	351.25	20.35	5.09
Litchfield ..... "	7.82	170	9.20	8	192	8.33	11	295	8.27	11	317	6.94	37.82	9.46	945	236.25	32.74	8.19
Peoria..... "	9	283	6.36	9	248	7.26	10	323	6.23	11	322	6.83	39	9.75	1,174	293.5	26.68	6.67
Streator..... "	10	309	6.47	10	263	7.60	11	314	7.01	11	309	7.13	42	10.5	1,186	296.5	28.41	7.10
Joliet..... "	10	358	5.52	10	285	7.02	11	315	6.98	10	293	6.82	41	10.25	1,231	307.75	26.74	6.69
Chicago..... "	10	365	5.48	10	287	6.97	11	295	7.46	10	294	6.80	41	10.25	1,241	310.25	26.71	6.68
Danville ..... "	9	200	6.92	7	165	8.48	10	195	1,025	9	195	9.23	35	8.75	815	203.75	34.88	8.72
Milwaukee.....Wis.....	13	450	5.78	13	372	6.99	14	380	7.37	13	379	6.86	53	13.25	1,581	395.25	27.09	6.78
Michigan City.....Ind.....	10	308	6.03	10	284	7.12	11	284	8.33	10	274	7.87	41	10.25	1,197	299.25	28.35	7.09
Terre Haute..... "	8	243	6.58	6	169	1.101	8	162	9.88	7	182	7.69	29	7.25	696	174	35.16	8.79
Vincennes ..... "	6	150	7.55	5	52	1.923	8	133	1.203	8	192	8.33	27	6.75	536	134	47.14	11.79
Logansport..... "	11	342	6.43	9	225	8.00	10	187	1.069	9	182	9.89	39	9.75	936	234	25.01	8.75
Indianapolis..... "	7	270	5.07	7	169	8.28	7	110	1.455	7	110	1.273	29	7.25	665	166.25	40.63	10.16
Elkhart ..... "	12	445	5.39	10	307	6.51	11	279	8.50	10	237	8.44	43	10.75	1,248	312	28.84	7.21
Frankfort ..... "	10	307	6.56	8	188	8.51	9	158	1.139	8	158	1.012	35	8.75	809	202.25	30.58	9.15
Green Castle..... "	10	267	7.49	7	143	9.79	8	147	1.088	7	149	9.40	32	8	706	176.50	37.56	9.39
Kalamazoo.....Mich.....	14	467	6.00	12	377	6.37	12	301	7.97	11	290	8.46	49	12.25	1,435	358.75	28.80	7.20
Jackson ..... "	14	515	5.44	12	403	5.95	12	307	7.82	10	245	8.16	48	12.	1,470	367.50	27.57	6.89
Grand Rapids..... "	14	529	5.29	12	426	5.63	13	349	7.45	12	309	7.76	51	17.75	1,613	403.25	28.15	6.53
Detroit..... "	14	560	5.00	12	443	5.42	12	352	6.82	10	262	7.63	48	12	1,617	404.25	24.87	6.22
Alvordton.....O.....	14	474	5.91	12	350	6.85	12	296	9.02	10	201	9.95	48	12	1,320	325	31.57	7.89
Toledo..... "	14	506	5.53	12	392	6.12	12	302	7.95	9	202	8.91	47	11.75	1,402	350.50	28.51	7.13
Dayton..... "	12	385	6.23	10	277	7.22	10	166	1.205	4.5	56	1.001	36.5	9.12	884	221	41.57	10.39
Sandusky ..... "	14	525	5.33	12	396	6.06	12	316	7.59	9	211	8.53	47	11.75	1,448	362	27.54	6.88
Bellaire..... "	18	604	5.96	16	482	6.64	14	393	7.71	10	273	7.91	58	14.5	1,702	425.50	28.22	7.06
Columbus..... "	13	457	5.69	12	345	6.96	12	326	1.302	7.5	116	1.293	44.5	11.13	1,144	286	30.20	9.05
Mansfield ..... "	14	505	5.54	12	389	6.17	12	289	8.30	8.5	179	9.50	46.5	11.62	1,362	340.50	29.51	7.38
Gallipolis ..... "	15	520	5.77	13	398	6.53	12	279	8.60	9	109	1.465	49	12.25	1,366	341.50	31.55	7.89

Statement Showing Proportions (Which Are Regular Tariff Rates) Accruing to Lines North of Ohio River Crossings—Continued.

From— / To—	Cairo.			Evansville.			Louisville.			Cincinnati.			Totals.					
	Rate.	Miles.	Rate per ton per mile, mills.	Rate.	Miles.	Rate per ton per mile, mills.	Rate.	Miles.	Rate per ton per mile, mills.	Rate.	Miles.	Rate per ton per mile, mills.	Total rate.	Average rate.	Total miles.	Average miles.	Total rate per ton per mile.	Average rate per ton per mile.
Cleveland..... "	15	578	5.19	14	452	6.19	13	354	7.34	10	244	8.20	52	13	1,628	407	28.32	6.73
Pittsburg.....Pa.....	18	650	5.54	16	538	5.95	14	419	6.68	10	309	6.47	58	14.10	1,916	479	24.64	6.16
Buffalo.....N. Y...	18	762	4.72	16	633	5.06	14	537	5.21	10	427	4.68	58	14.50	2,359	589.75	19.67	4.92
Total mileage.....	.....	15,308	.....	.....	10,276	.....	.....	9,157	.....	.....	7,824	.....	.....	.....	40,525	.....	.....	.....
Average mileage.....	.....	416	.....	.....	320	.....	.....	286	.....	.....	245	.....	.....	.....	.....	317	.....	.....
Total rates.....	383.82	.....	.....	342	.....	.....	3.45	.....	.....	309.5	.....	.....	1,400.32	10.9	.....	.....	.....	.....
Average rates.....	11.98	.....	.....	10.69	.....	.....	11.41	.....	.....	9.67	.....	.....	.....	.....	.....	.....	.....	.....
Rate per ton per mile (mills).....	.....	.....	5.77	.....	.....	6.68	.....	.....	7.97	.....	.....	7.91	.....	.....	.....	.....	.....	.....
Average rate per ton per mile (mills)..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

922-36 **Exhibit "O"—Mr. Compton.**

(See p. 783.)

Exhibit O is a statement showing the rates on lumber in car-loads from southeastern territory to northern and western points, showing the distances, the averages, and the rate per ton per mile.

The points of origin shown therein are representative points of origin of yellow-pine lumber marketed at the Ohio river and beyond.

The points of destination, 39 in number, are representative points of consumption of yellow-pine lumber located on the Ohio river and beyond.

It shows the distances from each point of origin to each point of destination, via the short line and via the L. & N. R. R.

It shows the rate from each point of origin to each point of destination.

It shows the total mileage from each point of origin to all points of destination, via the short line and via the L. & N.

It shows the total of the rates from each point of origin to all points of destination.

It shows the average rate per ton per mile from each
922-37 point of origin to all points of destination, via the short line and via L. & N.

It shows, in recapitulation, the total of the distances from all points of origin to each point of destination via the short line and via the L. & N.

It shows the average mileage from all points to each point of destination via the short line and via the L. & N.

It shows the total of the rates from all points of origin to each point of destination.

It shows the average of the rates from all points of origin to each point of destination.

It shows the average rate per ton per mile from all points of origin to each point of destination via the short line and via the L. & N.

It shows the total mileage from all points of origin to all points of destination via the short line and via the L. & N.

It shows the average of the distances from all points of origin to all points of destination via the short line and via the L. & N.

922-38 It shows the total of the rates from all points of origin to all points of destination.

It shows the average rate from all points of origin to all points of destination.

It shows the average rate per ton per mile from all points of

origin to all points of destination via the short line to be 6.21 m
and via the L. & N. to be 5.72 mills per ton per mile.

Attached to said exhibit is a map showing the points of or
referred to and the points of destination referred to in the exh
which is produced for the purpose of explanation and to set f
the information in a concise and intelligent form.

(Blue print, part of Exhibit O, marked page 922-39, omitted f
record by direction of counsel.)

(Here follow tables marked pages 922-40 to 922-43, inclusiv

A	Total rates.	Average rate.	Rate per ton per mile.	
V h Li			Via Short Line.	Via L. & N.
0	270.5	27.1	5.39	5.19
0	270.5	27	5 63	5.41
9	250.28	25	5.64	5.61
9	260.5	26.1	5.71	5.49
9	270.5	27	5.84	5.61
0	270.5	27.1	5.70	5.49
0	270.5	27	5.68	5.47
8	260.5	26.1	6.28	6.01
0	300.5	30	5.80	5.60
0	272.5	27.2	5.80	5.51
8	250.5	25	6.41	6.19
7	230.5	23.1	6.43	6.12
9	280.5	28	6.51	6.00
8	261.5	26.2	6.62	6.12
9	290.5	29.1	6 22	5.81
8	270.5	27	6.50	6 09
8	270.5	27.1	6.70	6 46
0	310.5	31	6.52	6.02
9	310.5	31.1	6.62	5.99
0	310.5	31	6.20	5.76
0	310.5	31.1	6.51	5.74
9	310.5	31	6.95	5.97
9	310.5	31.1	6.94	5.96
8	278.0	27.8	7.45	6.15
9	310.5	31	6.80	5.91
0	334 5	33.4	7.07	6.13
8	300.5	30.1	7.43	6.28
9	310.5	31	7.12	6.09
9	320.5	32.1	7.44	6.35
0	321.5	32.2	6.86	5.93
1	333 5	33.3	6.66	5 96
7	333.5	33.3	6.01	5 30
7	240.5	24 1	6.94	5.72
7	220.5	22	6.54	6.13
7	230.5	23.1	6.93	6.55
7	208.5	20 8	6.18	5.71
5	170.5	17.1	5.05	4.58
8	236.5	23.6	5.76	5.53
	219.5	21.9	5.85	5.60
1	.....	.....	.....	.....
	.....	.....	.....	.....
	10,785.78	.....	.....	.....
	.....	27.6	.....	.....
	.....	.....	6.37	5.83



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BOOK TOO LARGE FOR FI

922-44 **Exhibit "Q"—C. B. Compton.**

(See p. 785.)

Exhibit Q is a statement showing the rates on lumber from points in Arkansas, Texas and Louisiana, together with the mileages from the representative points of origin, to 39 points of destination on the Ohio river and beyond, which are representative points of consumption of yellow-pine lumber, and are the same points as referred to in Exhibits L, O, and Q.

It shows the distance from each point of origin to each point of destination.

It shows the total mileage from all points of origin to each point of destination.

It shows the average mileage from all points of origin to each point of destination.

It shows the total of the rates from all points of origin to each point of destination.

It shows the average rate from all points of origin to each point of destination.

It shows the average rate per ton per mile from all points
922-45 of origin to each point of destination.

It shows the total of the mileages from each point of origin to all points of destination.

It shows the total of the mileages from all points of origin to all points of destination.

It shows the average mileage from each point of origin to all points of destination.

It shows the average mileage from all points of origin to all points of destination.

It shows the total of the rates from each point of origin to all points of destination.

It shows the total of the rates from all points of origin to all points of destination.

It shows the average rate from each point of origin to all points of destination.

It shows the average rate from all points of origin to all points of destination.

It shows the average rate per ton per mile from all points
922-46 of origin to all points of destination to be 6.59 mills per ton per mile.

Attached to said exhibit is a map showing the points of origin referred to and the points of destination referred to in the exhibit, which is produced for the purpose of explanation and to set forth the information in a concise and intelligent form.

(Blue print, part of Exhibit Q, marked page 922-47, omitted from record by direction of counsel.)



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922-44 **Exhibit "Q"—C. B. Compton.**

(See p. 785.)

Exhibit Q is a statement showing the rates on lumber from points in Arkansas, Texas and Louisiana, together with the mileages from the representative points of origin, to 39 points of destination on the Ohio river and beyond, which are representative points of consumption of yellow-pine lumber, and are the same points as referred to in Exhibits L, O, and Q.

It shows the distance from each point of origin to each point of destination.

It shows the total mileage from all points of origin to each point of destination.

It shows the average mileage from all points of origin to each point of destination.

It shows the total of the rates from all points of origin to each point of destination.

It shows the average rate from all points of origin to each point of destination.

It shows the average rate per ton per mile from all points
922-45 of origin to each point of destination.

It shows the total of the mileages from each point of origin to all points of destination.

It shows the total of the mileages from all points of origin to all points of destination.

It shows the average mileage from each point of origin to all points of destination.

It shows the average mileage from all points of origin to all points of destination.

It shows the total of the rates from each point of origin to all points of destination.

It shows the total of the rates from all points of origin to all points of destination.

It shows the average rate from each point of origin to all points of destination.

It shows the average rate from all points of origin to all points of destination.

It shows the average rate per ton per mile from all points
922-46 of origin to all points of destination to be 6.59 mills per ton per mile.

Attached to said exhibit is a map showing the points of origin referred to and the points of destination referred to in the exhibit, which is produced for the purpose of explanation and to set forth the information in a concise and intelligent form.

(Blue print, part of Exhibit Q, marked page 922-47, omitted from record by direction of counsel.)

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922-48

Exhibit "Q"—C. B. Compton.

(See Testimony, p. 785.)

Rates on Lumber, Car-loads, in Cents per Hundred Pounds, from Arkansas, Texas, and Louisiana Points.

From—		Arkansas points in Cotton Belt Group 11.		Points on La. & Ark. Ry., Buchanan, Ark., to Winnfield, La., inclusive.		Points on Shreveport & Red River Valley R. R., Shreveport to Pineville, La., inclusive.		Texas points in Cotton Belt Group 12, Eylau to Lufkin, Tex., inclusive.						
To—		Distance from McNeill, Ark.	Rate.	Distance from Sibley, La.	Rate.	Distance from Colfax, La.	Rate.	Distance from Tyler, Texas.	Rate.	Total mileage.	Average mileage.	Total rates.	Average rate.	Rate per ton per mile.
Rock Island	Ill	736	26	814	26	911	26	915	28	3,376	844	106	26.5	6.28
Quincy	"	611	26	689	26	786	26	790	28	2,876	719	106	26.5	7.37
Litchfield	"	535	23.82	613	23.82	710	23.82	714	25.82	2,572	643	97.28	24.32	7.56
Peoria	"	645	30	723	30	820	30	824	32	3,012	753	122	30.5	8.10
Streator	"	672	26	750	26	847	26	851	28	3,120	780	106	26.5	6.79
Joliet	"	709	26	787	26	884	26	888	28	3,268	817	106	26.5	6.48
Chicago	"	736	26	814	26	911	26	915	28	3,376	844	106	26.5	6.28
Danville	"	632	25	710	25	807	25	811	27	2,960	740	102	25.5	6.89
Milwaukee	Wis.	821	29	899	29	996	29	1,000	31	3,716	929	118	29.5	6.35
Michigan City	Ind.	769	28	847	28	944	28	948	30	3,508	877	114	28.5	6.49
Terre Haute	"	587	24	665	24	762	24	766	26	2,780	695	98	24.5	7.05
Vincennes	"	530	22	608	22	705	22	709	24	2,552	638	90	22.5	7.05
Logansport	"	703	27	781	27	878	27	882	29	3,244	811	110	27.5	6.78
Indianapolis	"	647	26	725	26	822	26	826	28	3,020	755	106	26.5	7.02
Elkhart	"	784	28	862	28	959	28	963	30	3,568	892	114	28.5	6.39

Frankfort ... " ..	595	28	744	28	844	28	845	28	3,696	774	106	29.5	6.85
Greencastle ... " ..	612	26	680	26	787	26	791	28	2,880	720	106	26.5	7.36
Kalamazoo ... Mich.	829	30	907	30	1,004	30	1,008	32	3,748	937	122	30.5	6.51
Jackson ..... " ..	869	30	947	30	1,044	30	1,048	32	3,908	977	122	30.5	6.24
Grand Rapids. " ..	878	30	956	30	1,053	30	1,057	32	3,944	986	122	30.5	6.19
Detroit ..... " ..	912	30	990	30	1,087	30	1,091	32	4,080	1,020	122	30.5	5.98
Alvordton ... O. ...	825	30	903	30	1,000	30	1,004	32	3,732	933	122	30.5	6.54
Toledo ..... " ..	857	30	935	30	1,032	30	1,036	32	3,860	965	122	30.5	6.32
Dayton ..... " ..	772	28	850	28	947	28	951	30	3,520	880	114	28.5	6.48
Sandusky ..... " ..	875	30	953	30	1,050	30	1,054	32	3,932	983	122	30.5	6.21
Bellaire ..... " ..	968	34	1,046	34	1,143	34	1,147	36	4,304	1,076	138	34.5	6.41
Columbus ..... " ..	838	29	916	29	1,013	29	1,017	31	3,784	946	118	29.5	6.24
Mansfield ..... " ..	871	30	949	30	1,046	30	1,050	32	3,916	979	122	30.5	6.23
Gallipolis ..... " ..	878	31	956	31	1,053	31	1,057	33	3,944	986	126	31.5	6.39
Cleveland ..... " ..	935	31	1,013	31	1,110	31	1,114	33	4,172	1,043	126	31.5	6.04
Pittsburg ... Pa. ...	1,031	34	1,109	34	1,206	34	1,210	36	4,556	1,139	138	34.5	6.06
Buffalo ..... N. Y.	1,118	34	1,196	34	1,293	34	1,297	36	4,804	1,226	138	34.5	5.63
Cincinnati ... O. ...	722	27	800	27	897	27	901	29	3,320	830	110	27.5	6.63
Louisville ... Ky. ...	615	27	693	27	790	27	794	29	2,892	723	110	27.5	7.61
Evansville ... Ind. ..	512	23	590	23	687	23	691	25	2,480	620	94	23.5	7.58
Cairo ..... Ill. ...	371	16	449	16	546	16	550	18	1,916	479	66	16.5	6.89
St. Louis ..... Mo ...	483	18	561	18	658	18	662	20	2,364	591	74	18.5	6.26
Mt. Vernon ... Ill. ...	478	23	556	23	653	23	657	25	2,344	586	94	23.5	8.02
Total mileage	28,032	.....	30,996	.....	34,682	.....	34,834	.....	128,544	.....	.....	.....	.....
Average mileage ...	738	.....	816	.....	912	.....	917	.....	.....	846	.....	.....	.....
Total rates	.....	1039.82	.....	1039.82	.....	1039.82	.....	1,115.82	.....	.....	4,235.28	.....	.....
Average rate	.....	27.4	.....	27.4	.....	27.4	.....	29.4	.....	.....	.....	27.9	.....
Rate per ton per mile (mills)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6.59

Tariffs used:
St. L. S. W. Ry. No. 3120, I. C. C. No. 1766.
C. C. C. & St. L. Ry. No. X 2250, I. C. C. No. 1317.

922-49 **Exhibit "R"—C. B. Compton.**

(See p. 789.)

Exhibit R is a statement showing the rates on lumber in car-loads from Michigan and Wisconsin points to Missouri River points and beyond.

The points shown are representative points of origin and representative points of consumption.

It shows the distances from each point of origin to each point of destination.

It shows the total of the distances from all points of origin to each point of destination.

It shows the average distance from all points of origin to each point of destination.

It shows the total of the rates from all points of origin to each point of destination.

It shows the average rate from all points of origin to each point of destination.

It shows the average rate per ton per mile from all points of origin to each point of destination.

922-50 It shows the total of the distances from each point of origin to all points of destination.

It shows the average distance from each point of origin to all points of destination.

It shows the total of the rates from each point of origin to all points of destination.

It shows the average rate from each point of origin to all points of destination.

It shows the average rate per ton per mile from each point of origin to all points of destination.

It shows the total of the mileages from all points of origin to all points of destination.

It shows the average mileage from all points of origin to all points of destination.

It shows the average of the rates from all points of origin to all points of destination.

It shows the average rate per ton per mile from all points of origin to all points of destination to be 7.1 mills.

922-51 Attached to said exhibit is a map showing the points of origin referred to and the points of destination referred to in the exhibit, which is produced for the purpose of explanation and to set forth the information in a concise and intelligent form.

(Blue print, part of Exhibit R, marked page 922-52, omitted from record by direction of counsel.)

Exhibit "R"—C. B. Compton.

(See p. 789.)

Rates on Lumber, Car-loads, from Michigan and Wisconsin Points to Missouri River and Beyond, Showing Short-line Distances.

From— \ To—	Kansas City, Mo.		Atchison, Kas.		Omaha, Neb.		Lincoln, Neb.		Grand Island, Neb.		La Junta, Col.		Topeka, Kas.		St. Joseph, Mo		Total mileage.	Average mileage.	Total rates.	Average rate.	Rate per ton per mile.
	Miles.	*Rate.*	*Miles.*	*Rate.*	*Miles.*	*Rate.*	*Miles.*	*Rate.*	*Miles.*	*Rate.*	*Miles.*	*Rate.*	*Miles.*	*Rate.*	*Miles.*	*Rate.*					*Mills.*
Brimley, Mich.	1,029	28	981	28	848	28	903	31	954	40	1,536	51	1,032	35	961	28	8,244	1,031	269	33.6	6.5
Au Train, "	809	24	821	24	688	24	743	27	794	36	1,336	47	872	31	801	24	6,964	871	237	29.6	6.8
Ewen, "	784	24	758	24	695	24	660	27	711	36	1,293	47	789	31	718	24	6,310	788	237	29.6	7.5
Marengo, Wis.	709	22.5	661	22.5	528	22.5	583	25.5	634	34.5	1,216	45.5	712	28.5	641	22.5	5,684	711	225	28.1	7.9
Larch, Mich.	809	22.5	821	22.5	688	22.5	743	25.5	794	34.5	1,376	45.5	872	28.5	801	22.5	6,964	871	225	28.1	6.5
Menominee, Mich.	722	22	776	22	636	22	754	25	846	34	1,293	45	789	29	756	22	6,632	729	221	27.6	6.7
Appleton, Wis.	643	20.5	697	20.5	617	20.5	675	23.5	767	32.5	1,214	43.5	710	27.5	677	20.5	6,400	730	209	26.1	7.0
Elcho, "	807	22	730	22	626	22	684	25	776	34	1,192	45	637	29	617	22	6,068	763	221	27.6	7.2
Cartwright, Wis.	655	21.5	607	21.5	474	21.5	532	24.5	624	33.5	1,161	44.5	607	28.5	587	21.5	5,248	656	217	27.1	8.3
Total	7,089	207	6,861	207	5,770	207	6,277	234	6,899	315	11,658	414	7,020	270	6,550	207	58,134	.....	3961	.....	.....
Average	788	23	762	23	641	23	697	26	767	35	1,295	46	780	30	729	23	6,459	808	229	28.6	.....
Rate per ton per mile (mills)	.....	5.8	.....	6.0	.....	7.2	.....	7.5	.....	9.1	.....	7.1	.....	7.7	.....	6.3	.....	.....	.....	.....	7.1

922–54 **Exhibit "S"—Mr. Compton.**

(See p. 790.)

Exhibit S is a statement showing the rates on lumber in car-loads to New York city, N. Y., from 30 representative points of shipment north of the Ohio river in the States of Ohio, Indiana, Illinois, Wisconsin and Michigan.

It shows the distances from each point of origin to destination.

It shows the rate from each point of origin to destination.

It shows the rate per ton per mile from each point of origin to destination.

It shows the total of the distances from all points of origin to destination.

It shows the average distance from all points of origin to destination.

It shows the total of the rates from all points of origin to destination.

It shows the average rate from all points of origin to destination.

It shows the average rate per ton per mile from all points
922–55 of origin to destination to be 5.6 mills per ton per mile.

Attached to said exhibit is a map showing the points of origin referred to and the points of destination referred to in the exhibit, which is produced for the purpose of explanation and to set forth the information in a concise and intelligent form.

(Blue print, part of Exhibit S, marked page 922–56, omitted from record by direction of counsel.)

PY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

922-37 *Rates on Lumber, Car-loads, per Hundred Pounds, to New York, N. Y.*

From—		Short line available route distance.	Rate.	Rate per ton per mile.
Ansonia	O.	723	21	5.8
Greenville	"	716	21	5.9
Belle Fontaine	"	675	20.5	6.1
Anderson	Ind.	775	23	5.9
Goshen	"	809	24	5.9
Greensburg	"	805	23	5.7
Lafayette	"	842	25	5.9
Crawfordsville	"	847	25	5.9
Greencastle	"	841	25	5.9
Danville	Ill.	888	25	5.6
Paris	"	894	27	6
Vincennes	Ind.	920	27	5.9
Elkhart	"	820	24	5.9
Champaign	Ill.	920	27.5	6
Decatur	"	955	27.5	5.8
Shelbyville	"	954	29	6.1
Jacksonville	"	1,028	30	5.8
Springfield	"	994	29	5.8
Edwardsville	"	1,037	29	5.6
Warsaw	Wis.	1,169	28.5	4.9
Star Lake	"	1,301	31	4.8
Menomonie	"	1,245	30	4.8
Prairie du Chien	"	1,136	30	5.3
Janesville	"	988	25	5.1
Watertown	"	1,027	25.5	4.9
Detroit	Mich.	661	19.5	5.9
Bay City	"	770	21	5.5
Elendale	"	792	22	5.6
Baldwin	"	869	25	5.7
Petoskey	"	930	28	6
Total		27,331	768	
Average		911	25.6	5.6

922-58 **Exhibit "T"—Mr. Compton.**

(See p. 786.)

Exhibit T is a statement showing the rates on lumber in carloads from Texas & Pacific Railroad stations in Texas, Louisiana and Arkansas, to Missouri River points, also to Colorado common points, with the distance from a representative point in the lumber-shipping district.

It shows the distance from point of origin to each point of destination.

It shows the rate from each point of origin to each point of destination.

It shows the rate per ton per mile from each point of origin to each point of destination.

It shows the total of the distances from all points of origin to all points of destination.

It shows the average distance from all points of origin to all points of destination.

It shows the average rate from all points of origin to all points of destination.

922-59 It shows the average rate per ton per mile from all points of origin to all points of destination on the Missouri river to be 7.37 mills per ton per mile.

It shows the average rate per ton per mile from all points of origin to all points of destination in Colorado to be 8.31 mills per ton per mile.

Attached to said exhibit is a map showing the points of origin referred to and the points of destination referred to in the exhibit, which is produced for the purpose of explanation, and to set forth the information in a concise and intelligent form.

(Blue print, part of Exhibit T, marked page 922-60, omitted from record by direction of counsel.)

PY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FIL

922-61 "T."

Rates on Lumber, Car-loads, per 100 Pounds, from T. & P. R. R. Stations in Texas, Louisiana, and Arkansas.

To—	Distance from Shreveport, La.	Rate.	Rate per ton per mile.
			Mills.
Kansas City, Mo.	560	23	8.21
St Joseph, "	623	23	7.38
Omaha, Neb.	751	23	6.13
Atchison, Kas.	604	23	7.62
Lawrenworth, Kas.	582	23	7.90
Total	3,120	115	
Average	624	23	7.37

Tariff used: T. & P. Joint Through Lumber Tariff 8500 H., I. C. C. No. 750.

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Rates on Lumber, C. L., per 100 Pounds, from T. & P. R. R. Stations in Texas, Louisiana, and Arkansas.

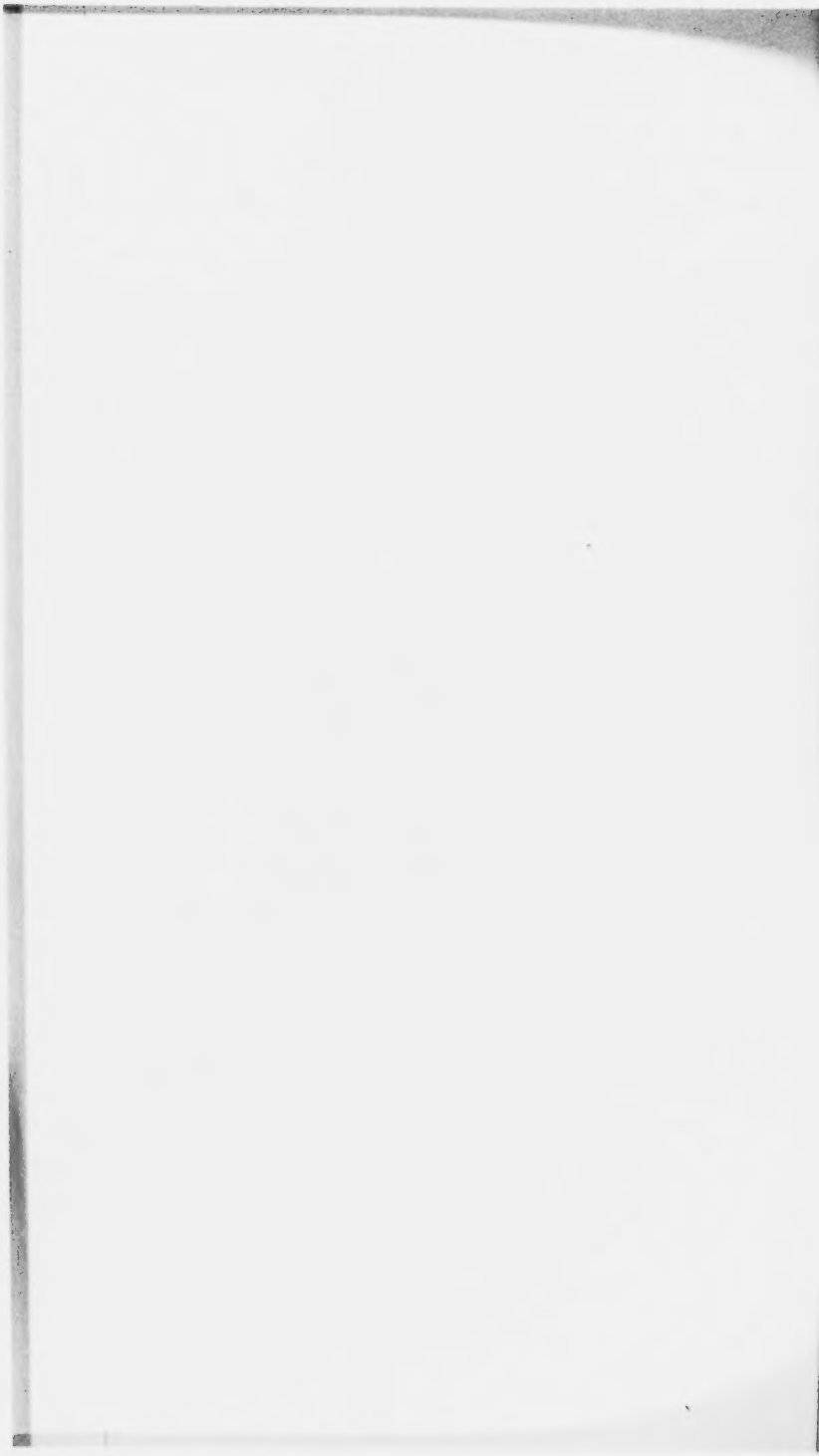
To—	Distance from Shreveport, La.	Rate.	Rate per ton per mile.
			Mills.
Clayton, N. M.	667	34	10.19
Trinidad, Col.	792	34	8.59
Grey Creek, "	790	39	9.87
La Junta, "	874	34	7.78
Pueblo, "	889	34	7.65
Denver, "	1,014	34	6.71
Total	5,026	209	
Average	837	34.99	8.31

Tariff used: T. & P. Joint Through Lumber Tariff 8500 H, I. C. C., No. 750.

(Here follow Exhibits U and V, marked pages 922–62 to 922–68, inclusive.)

(Here follow tables marked pages 922–69 to 922–73, inclusive.)

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM



PY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FIL

Route	SYLVESTER,GA. Miles	Rate and Divisions	Rate per ton pr mile	WARESBORO,GA. Miles	Rate and Divisions	Rate per ton pr mile
Montgy	288	7.9	.5.5	322	7.9	4.9
Hender son	462	8.1	.3.4	462	8.1	3.4
Beyond	287	11	.7.8	287	11	7.8
Total	1037	27		1071	27	
Montgy	288	4.9	.5.5	322	7.9	.4.9
Louis- ville	490	8.1	.3.3	490	8.1	.3.3
Beyond	304	11	.7.2	304	11	.7.2
Total	1082	27		1116	27	
Albany	19	5.	5.3	104	5.0	.9.6
CofG to B'ham	257	4.5	.3.5	257	4.5	.3.5
Louv'le	394	6.5	.3.3	394	6.5	.3.3
Beyond	304	11	.7.2	304	11	.7.2
Total	954	27		1089	27	
Chicago, Ill. Albany	19	5.0	5.3	104	5.0	.9.6
CofG to Atlanta	210	3.5	.3.3	210	3.5	.3.3
Chatta	138	2.5	.3.6	138	2.5	.3.6
Hender- son	308	5.0	.3.2	308	5.0	.3.2
Beyond	287	11	.7.7	287	11	.7.7
Total	982	27		1047	27	
Albany	19	5.0	5.3	104	5.0	.9.6
CofG to Atlanta	210	3.5	.3.3	210	3.5	.3.3
Chatta	138	2.5	.3.6	138	2.5	.3.6
Lou'vle	336	5.	.3.0	336	5.0	.3.0
Beyond	304	11	.7.2	304	11	.7.2
Total	1007	27		1092	27	
Albany	10	5.	5.3	104	5.0	.9.6
CofG to B'ham	257	4.5	.3.5	257	4.5	.3.5
Henderson	366	8.5	.3.6	366	7.5	3.6
Beyond	287	11	.7.7	287	11	.7.7
	929	27		1014	27	

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PY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

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Route	SYLVESTER,GA. Miles	Rate and Divisions	Rate per ton pr mile	WARESBORO,GA. Miles	Rate and Divisions	Rate per ton pr mile
Montgy	288	8.7	.6.1	322	8.7	.5.4
Cin'ti	600	13.3	.4.4	600	13.3	.4.4
Beyond	243	10	.8.2	243	10	.8.2
Total	1131	32		1165	32	
Albany	19	5.0	5.3	104	5.0	9.6
CofGa to)						
B'ham	)257	5.9	.4.6	257	5.9	.4.6
Cin'ti	504	11.1	.4.4	504	11.1	.4.4
Beyond	243	10	.8.2	243	10	.8.2
Total	1023	32		1108	32	
Albany	19	5.0	5.3	104	5.0	.9.6
CofG to)						
Atlanta)	210	5.0	.4.8	210	5.0	.4.8
Chatta	138	3.5	.5.1	138	3.5	.5.1
Cin'ti	446	8.5	.3.8	446	8.5	.3.8
Beyond	243	10	.8.2	243	10	.8.2
Total	1056	32		1141	32	
Montgy	288	8.4	.5.8	322	8.4	.5.2
Cin'ti	600	12.8	.4.2	600	12.8	.4.2
Beyond	263	10	.7.6	263	10	.7.6
	1151	31		1185	31	
Albany	19	5.0	5.3	104	5.	.9.6
CofG to)						
B'ham	) 257	5.8	.4.4	257	5.8	.4.4
Cin'ti	504	10.4	.4.1	504	10.4	.4.1
Beyond	263	10	.7.6	263	10	.7.6
Total	1043	31		1128	31	
Albany	19	5.0	5.3	104	5.	.9.6
CofG to)						
Atlanta)	210	4.7	.4.5	210	4.7	.4.5
Chatta	138	3.3	.4.8	138	3.3	.4.8
Cin'ti	446	8.	.3.6	446	8.	.3.6
Beyond	263	10	.7.6	263	10	.7.6
Total	1076	31		1161	31	

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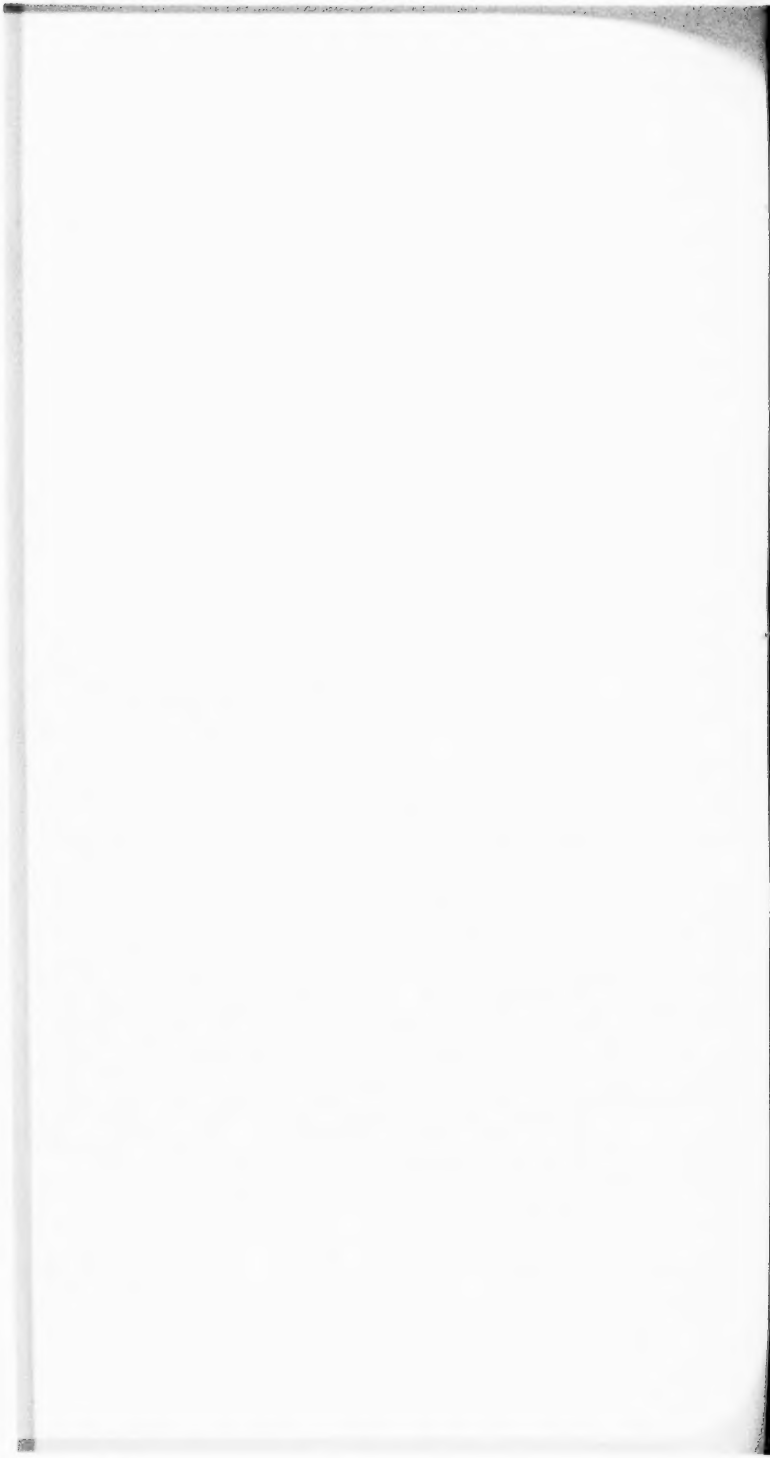


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	Route	BRIGHTON,GA. Miles	Rate and Div.	Rate perton pr.mile	MYSTIC,GA. Miles	Rate and Div.	Rate perton pr.mile	FITZGERALD,GA. Miles	Rate and Div.	Rate perton pr.mile
	Tifton	5	2.5	10.	18	2.5	3.1	25	2.5	2.
	Macon	105	3.3	.6.3	105	3.3	.6.3	105	3.3	.6.3
	Atlanta	114	1.6	.2.8	114	1.6	.2.8	114	1.6	.2.8
	Chatta.	138	2.5	.3.6	138	2.5	.3.6	138	2.5	.3.6
	Henderson	308	5.7	.3.7	308	5.7	.3.7	308	5.7	.3.7
	Beyond	287	11.--	.7.7	287	11.--	.7.7	287	11.--	.7.7
	Total	957	27		968	28		977	27	
	Tifton	5	2.5	10.	18	2.5	3.1	25	2.5	2.
Chicago,Ill. (via Evans-ville	Macon	105	2.9	.5.5	105	2.9	.5.5	105	2.9	.5.5
	B'ham	257	4.4	.3.4	257	4.4	.3.4	257	4.4	.3.4
	Henderson	368	6.2	.3.4	368	6.2	.3.4	368	6.2	.3.4
	Beyond	287	11.--	.7.7	287	11.--	.7.7	287	11.--	.7.7
	Total	1020	27		1031	27		1040	27	
	Tifton	5	2.5	10.	18	2.5	3.1	25	2.5	2.
	Dain-bridge	135	3.5	.5.1	135	3.5	.5.1	135	3.5	.5.1
	Montgy	175	2.8	.3.2	175	2.8	.3.2	175	2.8	.3.2
	Henderson	462	7.2	.3.1	462	7.2	.3.1	462	7.2	.3.1
	Beyond	287	11.--	.7.7	287	11	.7.7	287	11	.7.7
	Total	1064	27		1075	27		1084	27	
	Tifton	5	2.5	10.	18	2.5	3.1	25	2.5	2.
	Macon	105	3.7	.7.0	105	3.7	.7.0	105	3.7	.7.0
	Atlanta	114	1.6	.2.8	114	1.6	.2.8	114	1.8	.2.8
	Chatta.	138	2.5	.3.6	138	2.5	.3.6	138	2.5	.3.6
	Louisv'l	336	5.2	.3.4	336	5.7	.3.4	336	5.7	.3.4
	Beyond	304	11	.7.2	304	11	.7.2	304	11	.7.2
	Total	1002	27		1013	27		1022	27	
Chicago, Ill. (via Evans-ville	Tifton	5	2.5	10.	18	2.5	3.1	25	2.5	2.
	Mac.	105	2.9	.5.5	105	2.9	.5.5	105	2.9	.5.5
	B'ham	257	4.4	.3.4	257	4.4	.3.4	257	4.4	.3.4
	Louisv'l	394	6.2	.3.1	394	6.2	.3.1	394	6.2	.3.1
	Beyond	304	11.--	.7.2	304	11.--	.7.2	304	11.--	.7.2
	Total	1045	27		1076	27		1085	27	
	Tifton	5	2.5	10.	18	2.5	3.1	25	2.5	2.
	Dain-bridge	135	3.5	.5.2	135	3.5	.5.2	135	3.5	.5.2
	Montgy	175	2.8	.3.2	175	2.8	.3.2	175	2.8	.3.2
	Louisv'l	490	7.2	.2.9	490	7.2	.2.9	490	7.2	.2.9
	Beyond	304	11.--	.7.2	304	11.--	.7.2	304	11.--	.7.2
	Total	1109	27		1120	27		1129	27	

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Page------ 5

	Route	Miles	Rate and Div.	Rate perton pr.mile	Miles	Rate and Div.	Rate perton pr.mile	Miles	Rate and Div.	Rate perton prmile
		BRIGHTON,GA.			MYSTIC,GA.			FITZGERALD,GA.		
	Tifton	5	2.5	10.	16	2.5	3.1	25	2.5	2.
	Macon	105	2.7	.5.1	105	2.7	.5.1	105	2.7	.5.1
	Atlanta	114	2.7	.4.7	114	2.7	.4.7	114	2.7	.4.7
	Chatta.	139	4.1	.5.9	139	4.1	.5.9	138	4.1	.5.9
	Cin'ti	446	10	.4.4	446	10	.4.4	446	10	.4.4
	Beyond	243	10	.8.2	243	10	.8.2	243	10	.8.2
	Total	1051	32		1052	32		1071	32	
	Tifton	5	2.5	10.	16	2.5	3.1	25	2.5	2.
	Macon	105	3.7	.7.0	105	3.7	.7.0	105	3.7	.7.0
Cleveland, Ohio.	B'ham	257	5.5	.4.3	257	5.5	.4.8	257	5.5	.4.8
	Cin'ti	504	10.3	.4.1	504	10.3	.4.1	504	10.3	.4.1
	Beyond	243	10.	.8.2	243	10.	.8 2	243	10.	.8.2
	Total	1114	32		1136	32		1134	32	
	Tifton	5	2.5	10.	16	2.5	3.1	25	2.5	2.
	Bain- bridge)	135	3.5	.5.2	135	3.5	.5.2	135	3.5	.5.2
	Montgy	175	3.6	.4.1	175	3.6	.4.1	175	3.6	.4.1
	Cin'ti	600	12.4	.4.1	600	12.4	.4.1	600	12.4	.4.1
	Beyond	243	10	.8.2	243	10.	.8.2	243	10.	.8.2
	Total	1158	32		1198	32		1198	32	
	Tifton	5	2.5	10.	16	2.5	3.1	25	2.5	2.
	Macon	105	3.6	.6.8	105	3.6	.6.8	105	3.6	.6.8
	Atlanta	114	2.4	.4.2	114	2.4	.4.2	114	2.4	.4.2
	Chatta	138	3.6	.5.2	138	3.6	.5.2	139	3.6	.5.2
	Cin'ti	446	8.9	.3.9	446	8.9	.3.9	446	8.9	.3.9
	Beyond	263	10	.7.6	263	10	.7.6	263	10	.7.6
	Total	1071	31		1052	31		1091	31	
Detroit, Mich.	Tifton	5	2.5	10.	16	2.5	3.1	25	2.5	2.
	Macon	105	3.6	.6.8	105	3.6	.6.8	105	3.6	.6.8
	B'ham	257	5.2	.4.0	257	5.2	.4.0	257	5.2	.4.0
	Cin'ti	504	9.7	.3.8	504	9.7	.3.8	504	9.7	.3.8
	Beyond	263	10	.7.6	263	10.	.7.6	263	10.	.7.6
	Total	1134	31		1145	31		1154	31.	
	Tifton	5	2.5	10.	16	2.5	3.1	25	2.5	2.
	Bainbrdg	135	3.5	.5.2	135	3.5	.5.2	135	3.5	.5.2
	Montgy	175	3.4	.3.9	175	3.4	.3.9	175	3.4	.3.9
	Cinti	600	11.6	.3.9	600	11.6	.3.9	600	11.6	.3.9
	Beyond	263	10.	.7.6	263	10.	.7.6	263	10.	.7.6
		1178	31		1192	31		1198	31	

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922-74 **Exhibit "Y"—C. B. Compton.**

(See p. 814.)

Comparison of Exhibits.

From—	To—	Average distance.	Average rate.	Rate per ton per mile.	Exhibit.
Southeast	Ohio river (accruing to southern lines).	713	18.5	.5.17	L
Southeast	Central Fr't Ass'n territory and Ohio river proper.	906	28.1	.6.21	O
Texas and Arkansas	" " "	846	27.9	.6.59	Q
Texas	Missouri river	624	23	.7.37	T
Texas	Colorado and New Mexico.	837	34.99	.8.31	T
Michigan	Central Fr't Ass'n territory.	389	15.1	.7.8	F
Ohio river	" " " "	352	11.5	.6.52	H
Ohio river	" " " " (32)	317	10.9	.6.91	N
Minnesota and Wisconsin.	Chicago, Ill	359.7	10.8	.6.03	G
Michigan and Wisconsin.	Missouri river	808	28.6	.7.1	R
Pacific coast	Central Fr't Ass'n and Missouri river.	2,316.5	53.9	.4.65	E
Central Fr't Ass'n territory.	Trunk-line territory	911	25.6	.5.6	S

922-75 Louisville & Nashville Railroad Company, Office of the Traffic Manager.

C. B. Compton, Traffic Manager.

LOUISVILLE, KY., *December 30th*, 1903.

Hon. W. A. Moseley, Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: At the hearing of the case of H. H. Tift *et al. versus* The Southern Railway *et al.* before the Interstate Commerce Commission in Atlanta, October 26–31st, 1903, Commissioners Prouty and Clements requested me to have prepared and submit as a part of my testimony certain information which I was unable to furnish them at the time of the hearing on account of not having the necessary data at hand.

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In compliance with their request, I beg leave to enclose here memorandum containing answers to the interrogatories propo by the Commission at the hearing above referred to, togethe exhibits showing information concerning the freight rates a movement of lumber during the period indicated, which I has been compiled in the shape they want it.

I trust this will give the Commission the desired informati

Yours truly,

C. B. COMPTON,
Traffic Man

C.

922-76

BEFORE THE

INTERSTATE COMMERCE COMMISSION.

H. H. TIFT ET AL.
vs.
SOUTHERN RAILWAY COMPANY ET AL.

Hearing at Atlanta, Ga., October 26, 27, 28, 29, 30, 31, 19

Answers of C. B. Compton to Interrogatories Propounded at the H of the Above Case in Atlanta.

Page 820 of the testimony:

Question by Judge Prouty: About what was the stock Louisville & Nashville R. R. worth on January 1st, 1898?

Answer by Mr. Compton: I do not know what the quo were on L. & N. stock at that time, but will get them and giv to the secretary.

By Judge Prouty: Let us know what the same stock was January 1st, 1903?

Answer by Mr. Compton: On January 1st 1898, there w market quotations on account of holiday. January 2nd, 18 Sunday, and consequently there was no market. On Janua 1898, the high price on L. & N. stock was 56¾, and the lo 56⅛.

On January 2nd, the first market day of 1903, the high qu was 128¾; and the low 127¼.

By Judge Prouty: Show what effect it would have on th north of the Ohio river if you should limit this increase from eastern points to Cairo—apply it to Cairo and not the crossings.

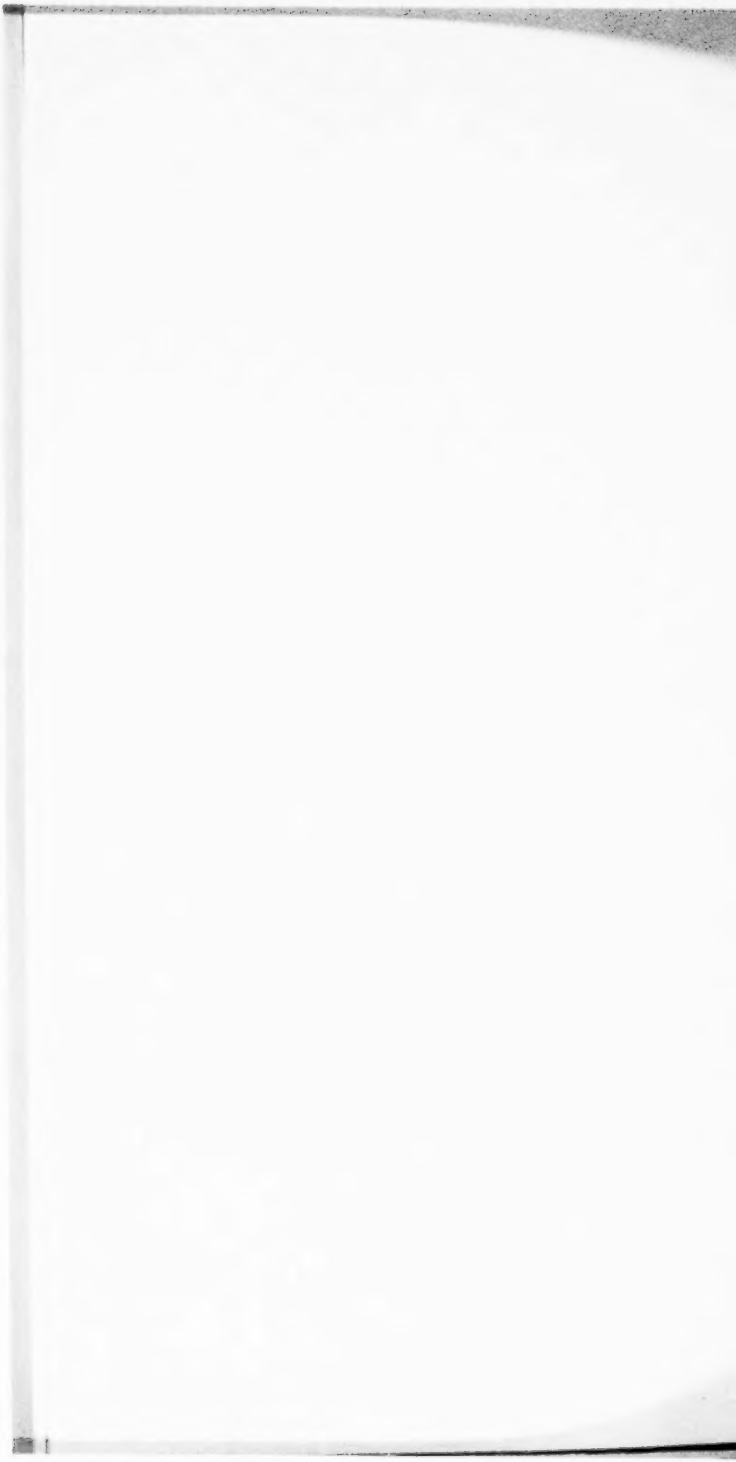
Answer by Mr. Compton: I attach hereto a statement Exhibit "Z" setting forth information in detail as ordered same thirty-two points were used in producing this informa in the other exhibits. The through rate is shown; the pro north of the river is shown; the through rate at present in e

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ed are the published rates of lines beyond
Louisville and Cincinnati.

rough" rate shown in Columns headed Note 1
nt figures which were available prior to the
of 2¢ to Evansville, Louisville and Cincinnati.

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shown, and the through rate under the basis suggested is also shown, with explanatory notes thereon.

By Judge Clements: Prepare a statement showing the
922-77 movement of yellow-pine lumber from Georgia points to points on and beyond the Ohio river for the months of September and October, 1903, similar to the statement filed for the month of March.

Answer by Mr. Compton: Statements are attached hereto; statement showing the movement for the month of September being marked Exhibit "*Z–a;*" and that for the month of October being marked Exhibit "*Z–b.*" The information contained in said statements is identical to that which is shown in Exhibit D.

It will be noted in each of these exhibits the movement, in total, decreased, but that which was consigned to railroad companies and car manufacturers as related to that consigned to other consignees, is relatively the same.

The movement as per Exhibits D, *Z–a*, and *Z–b*, is from Georgia via an intermediate line, and does not represent the movement from Georgia via all lines, but simply via an intermediate line, and is not an index to the general movement. However, the relative movement of the business from southern producing points is shown in exhibits which will be filed in answer to the next interrogatory, showing the movement from Alabama points for the months of March, September and October.

By Judge Clements: Also prepare a like statement as to Alabama points for the months of March, September and October.

Answer by Mr. Compton: Statements are attached hereto showing the shipments of lumber from points in Alabama transported by the Louisville & Nashville R. R. during March, 1903, to Ohio River points and beyond, and Michigan and Wisconsin, including lake ports, marked Exhibit "*Z–c.*" Similar statement is attached showing the movement for the month of September, 1903, marked Exhibit "*Z–d;*" similar statement is attached showing the movement for the month of October, 1903, marked Exhibit "*Z–e.*"

The information contained in said exhibits is the same as the information contained in the exhibits showing the move-
922-78 ment from Georgia via the Louisville & Nashville railroad.

It will be observed that there is a notable increase in the movement during the latter period over the former period.

C. B. COMPTON.

Subscribed and sworn to before me by C. B. Compton this 30th day of December 1903. My commission expires Jan. 29, 1906.

[Seal of Geo. W. B. Olmstead, Notary Public, Jefferson Co., Ky.]

G. W. B. OLMSTEAD,
Notary Public, Jefferson Co., Ky.

(Here follows Exhibit Z, marked page 922–79.)

922–80 **Exhibit "Z-a."**

Statement of Lumber Shipments from Points in Georgia Transported by the Louisville & Nashville Railroad During the Month of September, 1903, to Ohio River Points and Beyond and Michigan and Wisconsin, Including Lake Ports.

	No. of cars.	
Destined to Ohio River points and beyond..	193	65.6%
Destined to points in Michigan, and Wisconsin, including lake ports.....	101	34.4%
	294	100

Destinations by States:

Kentucky	10
Ohio	79
Illinois	88
Indiana	68
Michigan	21
Minnesota	1
Pennsylvania	5
West Virginia	18
New York	4
	294

	Cars.	Weight.	
Proportion consigned to railroad Cos. and car manufacturers	171	7,809,260	58.2%
Proportion consigned to other consignees..	123	5,206,560	41.8%
Total	294	13,015,820	100

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Exhibit "Z-b."

Statement of Lumber Shipments from Points in Georgia Transported by the Louisville & Nashville Railroad During October, 1903, to Ohio River Points and Beyond and Michigan and Wisconsin, Including Lake Ports.

	No. of cars.	
Destined to Ohio River points and beyond..	246	62.3%
Destined to points in Michigan and Wisconsin, including lake ports	149	37.7%
	395	100

Destinations by States:

Kentucky	18
Ohio	102
Illinois	105
Indiana	122
Michigan	16
Iowa	1
Wisconsin	2
Pennsylvania	11
West Virginia	11
New York	5
Ontario	2
Total	395

	Cars.	Weight.		
Proportion consigned to R. R. Cos. and car man'f'rs	221	10,213,240	56	%
Proportion consigned to other consignees..	174	7,385,540	44	%
Total	395	17,598,780	100	

922-82 **Exhibit "Z-c."**

Statement of Lumber Shipments from Points in Alabama Transported by the Louisville & Nashville R. R. During March, 1903, to Ohio River Points and Beyond and Michigan and Wisconsin, Including Lake Ports.

	No. of cars.	Per cent.
Destined to Ohio River points and beyond..	552	85.1
Destined to points in Michigan and Wisconsin, including lake ports	97	14.9
	649	100
Destinations by States:		
Kentucky	72	
Ohio	273	
Illinois	57	
Indiana.....	82	
Michigan	50	
Wisconsin.....	2	
Minnesota.....	5	
Iowa	3	
Missouri	2	
South Dakota.....	4	
West Virginia	4	
Pennsylvania.....	37	
New York	26	
New Jersey.....	2	
Massachusetts	20	
Connecticut	3	
Vermont...	1	
New Hampshire	1	
Maine	2	
Rhode Island.....	1	
Maryland.....	1	
District of Columbia	1	
Virginia.....	1	
Ontario	2	
Total	649	

		Weight.	Per cent.
Proportion consigned to R. R. Cos. and car m'f'rs.....	69	3,338,300	12.1
Proportion consigned to other consignees..	580	24,304,150	87.9
	649	27,642,450	100

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922-88

Exhibit "Z-d."

Statement of Lumber Shipments from Points in Alabama Transported by the Louisville & Nashville Railroad During the Month of September, 1903, to Ohio River Points and Beyond and Michigan and Wisconsin, Including Lake Ports.

	No. of cars.	
Destined to Ohio River points and beyond..	573	86.8%
Destined to points in Michigan and Wisconsin, including lake ports	87	13.2%
	660	100

Destinations by States:

Kentucky	88
Ohio	198
Illinois	99
Indiana	164
Wisconsin	1
Pennsylvania	19
West Virginia	3
New York	26
Canada	2
Massachusetts	15
Vermont	3
District of Columbia	1
New Jersey	4
New Hampshire	1
Connecticut	3
Delaware	2
Rhode Island	3
South Dakota	1
Michigan	27
	660

	No. cars.	Weight.	
Proportion consigned to railroad companies and car manufacturers	58	2,634,480	08.8%
Proportion consigned to other consignees..	602	24,632,540	91.2%
Total	660	27,267,020	100

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922–84 **Exhibit "Z–e."**

Statement of Lumber Shipments from Points in Alabama Transported by the L. & N. Railroad During the Month of October, 1903, to Ohio River Points and Beyond and Michigan and Wisconsin, Including Lake Ports.

	No. of cars.	
Destined to Ohio River points and beyond..	693	86.5
Destined to points in Michigan and Wisconsin, including lake ports	108	13.5
	801	100

Destination by States:

Kentucky	131
Ohio	215
Illinois	124
Indiana	179
Michigan	31
Wisconsin	8
West Virginia	7
Pennsylvania	36
New York	33
New Jersey	1
Minnesota	3
Massachusetts	17
Connecticut	2
Vermont	3
Rhode Island	4
New Hampshire	1
Maryland	1
District of Columbia	1
Ontario	1
Missouri	1
Iowa	1
North Dakota	1
	801

	No. cars.	Weight.	
Proportion consigned to R. R. Co. and car man'f'rs	43	2,395,280	6.7
Proportion consigned to other consignees..	758	33,252,800	93.3
Total	801	35,648,080	100

923 W. A. WINBURN,

a witness on behalf of the defendants, having been duly sworn, testified as follows:

Mr. Baxter: Mr. Winburn, you are connected with the Central of Georgia Railway Company?

Mr. Winburn: Yes, sir.

Mr. Baxter: In what capacity?

Mr. Winburn: Vice president and traffic manager.

Mr. Baxter: What is the nature of your duties?

Mr. Winburn: I have entire charge of the traffic of the railway company, its solicitation and the making of freight rates and passenger rates.

Mr. Baxter: How long have you been connected with the railroad freight traffic business of the United States?

Mr. Winburn: Since 1881.

Mr. Baxter: In February, 1903, did you give any directions to any of your subordinates with reference to increasing rates on lumber from this territory?

Mr. Winburn: Yes, sir; I instructed them to advance the rates on and north of the Ohio river 2 cents per hundred pounds.

Mr. Baxter: Did you issue a tariff to that effect?

924 Mr. Winburn: Yes, sir.

Mr. Baxter: Have you a copy of it here?

Mr. Winburn: Yes, sir.

Mr. Baxter: Just give us the I. C. C. No. of it?

Mr. Winburn: It is Joint Lumber Tariff No. 13, I. C. C. 740, issued to take effect March 1st, 1903.

Mr. Baxter: To what points and from what points does that tariff increase the rates?

Mr. Winburn: The tariff is issued to apply from stations on the Central of Georgia railway and connecting lines to Nashville, Tenn., Memphis, Tenn., and to points on and north and west of the Ohio and Mississippi rivers. The rates actually cover, as to territories of origin, the Central of Georgia railway, and certain small lines that depend on the Central of Georgia railway to publish their through tariffs.

Mr. Baxter: They are connections and not competing lines, as I understand.

Mr. Winburn: They are connections.

Mr. Baxter: You speak of that as a joint tariff. Is it "joint" with those lines you referred to?

925 Mr. Winburn: Joint as between the lines that participate in the transportation of the property, that is, the combined lines from point of origin to point of destination.

MING – POSSIBLE BLURRED PAGES

Mr. Baxter: It is not a joint tariff as between any competing lines?

Mr. Winburn: No, sir; it is the tariff of the Central of Georgia railway and its connections.

Mr. Baxter: That advance which was to have taken effect March 1st, 1903, did it in fact take effect on that date?

Mr. Winburn: No, sir; the effective date was postponed until April 15, 1903, as a result of one or more conferences with the lumber people, the understanding being that if the advanced rates could be postponed for a month and a half, or two months, the lumber contracted for under the old rates could be handled.

Mr. Baxter: Why did you order that advance in rates?

Mr. Winburn: Because I thought the rates were too low, and I was informed of the intention of lines in other territories of the advance in their rates, which I thought would afford us an opportunity to advance our rates.

Mr. Baxter: Had your previous rates been made in competition with those lines that you understood were going to advance their rates?

926 Mr. Winburn: Yes, sir; the lines I refer to are those operating in Mississippi and Arkansas. I consider that our chief competition is with the lines in Mississippi.

Mr. Baxter: What effect did you anticipate that advance would have upon the business of the lumber people in Georgia and Florida, would it be detrimental to them, or how?

Mr. Winburn: I did not understand that it would materially affect the volume of the business at all. I expected the lumber people to advance their prices and I anticipated that they would be able to compete to a great extent with other territories of production as they had been able to compete previously.

Mr. Baxter: Because the rates from those other sections were going up?

Mr. Winburn: I anticipated they would be.

Mr. Baxter: Was your tariff No. 13, to which you referred, made or published under any agreement or combination with any other competing line?

Mr. Winburn: It was not.

Mr. Baxter: What power has the Southeastern Freight Association to make rates over your road?

927 Mr. Winburn: Absolutely none at all.

Mr. Baxter: What power does it exercise or attempt to exercise in that direction?

Mr. Winburn: It not only does not exercise any power or control over the traffic or rates of the Central railroad, but it does not attempt to exercise any such control—either its officers or employees.

Mr. Baxter: What functions does the chairman of that association perform, so far as your road is concerned?

Mr. Winburn: The Southeastern Freight Association is a voluntary association of the traffic representatives of the lines in the territory described and is presided over by Mr. Parrott, who is the chairman. The organization proceeds on the theory that lines operating in the same territory and handling the same class of traffic have got to confer from time to time with each other about their business and that an organization of this character is best fitted to take care of that work. In the actual working of the association, the changes of rates that are contemplated by any of the lines, members of the association, are printed in a docket, and meetings are held every 60 days for the discussion of those circulars. Of course,

928 I do not mean by that that rates are not changed except during these meetings, and only once in 60 days. Rates are changed from time to time as circumstances require, and there are a great many rates that the railroads are asked to change. The railroad people themselves might be in doubt as to the propriety of such changes, and they meet and confer with each other and obtain information as to the conditions of the traffic, and compare their rates with other rates, and in other ways obtain the greatest light they can upon the situation to determine what action is necessary and justifiable.

Mr. Baxter: Under what circumstances does the chairman of the association, if under any, issue any tariffs?

Mr. Winburn: He only issues tariffs as the individual agent of each of the railroads in so far as they may instruct him to issue a tariff. In some cases tariffs can and do apply to the traffic of all members. In other cases the chairman will issue a tariff for an individual line. He only issues those tariffs when instructed by the different lines to do so and in accordance with the figures they may give him.

Mr. Baxter: State whether, as a matter of fact, that associa-

929 tion or its chairman or any of its officers or any of its committees have or attempt to exercise any power or control over the rate-making of any member of the association?

Mr. Winburn: They have no such power and do not attempt to exercise it.

Mr. Baxter: I will ask you whether there is any understanding or agreement, either in the articles of association or outside of them, to the effect that any member of the association may have the right to dictate to any other member what its rates shall be.

Mr. Winburn: There is no such understanding, so far as I am advised; certainly the Central of Georgia has no such understanding with any other line.

Mr. Baxter: Mr. Winburn, in reference to yellow pine from Georgia, have shipments from points in that territory to points on and north of the Ohio river increased or decreased in recent years?

Mr. Winburn: They have steadily increased.

Mr. Baxter: How has the demand for that lumber been in the territory north of the Ohio river? Has that increased or decreased?

930 Mr. Winburn: The demand must have been very large, and increasing, judging from shipments over the Central.

Mr. Baxter: Have you any statistics showing the account of lumber that has been delivered by the Central of Georgia railway to connecting lines at Atlanta, Rome, Chattanooga, Birmingham, Childersburg and Montgomery, during the last three calendar years, 1900, 1901 and 1902? If so, give the tonnage of each of those years.

Mr. Winburn: During the calendar years of 1900, 1901 and 1902, the Central railroad delivered to its western connections at Atlanta, Rome, Chattanooga, Birmingham, Childersburg and Montgomery the following number of tons of lumber: in 1900, 96,348 tons; in 1901, 95,300 tons; in 1902, 147,006 tons.

Mr. Baxter: As to the price of the lumber manufactured in Georgia and Florida, has that increased or decreased within recent years?

Mr. Winburn: It has so far as the lumber purchased by the railway is concerned.

Mr. Baxter: Can you give us the prices paid by the Central of Georgia Railway Company, in 1895 and 1902?

931 Mr. Winburn: I have a statement that was prepared for use at the hearing of this case before Judge Speare in Macon in the spring, showing the actual purchases by the Central railway of lumber during the months of January and July, 1895, 1896, 1897, 1898, 1899, 1901 and 1902, showing separately purchases of bridge timber, car decking, car sills, boards, and the total of all those articles; the number of feet purchased, the amount paid out, and the average price as to each of those articles and as to all of them. The statistics for 1900 were not prepared. That is due to the fact that when the statement was first prepared we took the alternate years from 1895 to 1901. That omitted 1900. It was thought best later on to add those earlier years and statistics for 1896 and 1898 were included, but by an oversight the figures for 1900 were not put in. They were not omitted to hide any fact, but were overlooked. The figures show that the price of bridge timber increased from $7.66 per thousand on the average in January, 1895, to a maximum of $12.75 per thousand in January, 1902. The price of car decking increased from $7.25 in January, 1895, to $12.69 in July, 1901. For the last period, July, 1902, the price had slightly receded to

932 $11.72. The highest price for car decking seems to have been paid in July, 1901, the average price during that month being $12.69. In July, 1902, $11.72 was paid, a slightly lower price. Car sills cost on an average $7.50 in January, 1895, and in January, 1901, the price was $12.71.

Com'r Clements: Is that an average?

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Mr. Winburn: Yes, sir; for the actual purchases during the month. The price on that lumber slightly receded during the following year. In July, 1902, the price went down to $11.28. The price of boards in January, 1895, amounted to $6.72 per thousand. The highest price was paid in January, 1901—$11.00. In July, 1902, the price was $9.95. The average price paid on all this class of lumber in January, 1895, was $7.47 and in July, 1902, $11.67, an advance of $4.20 per thousand.

(The paper containing the above figures is hereto annexed and marked "Exhibit No. 1 to Mr. Winburn's testimony.")

Mr. Baxter: Of the 147,000 tons of lumber delivered by the Central of Georgia railway to its connections in 1902 at Atlanta, Rome, Chattanooga, Birmingham, Childersburg and Montgomery, what percentage of it was destined to points on and north of the
503 Ohio river?

Mr. Winburn: I have estimated that about 85 per cent. moves to that territory.

Mr. Baxter: During the months of January, February and March, 1902, how much lumber was delivered by the Central of Georgia railway to the same connection?

Mr. Winburn: 28,641 tons.

Mr. Baxter: Now, for the corresponding months of 1903, how much was delivered by the Central of Georgia to those connections?

Mr. Winburn: It had increased over 10,000 tons, amounting to 38,990 tons.

Mr. Baxter: During July, August and September, 1903, how much lumber did the Central of Georgia deliver to the same connections?

Mr. Winburn: 43,115 tons.

Mr. Baxter: Have you the statistics for the present month?

Mr. Winburn: No, sir; the September figures are the latest we have. Those deliveries increased over the two previous years to this extent: In 1901 our deliveries to those lines amounted to
504 27,222 tons and in 1902 to 40,907 tons. Our deliveries this year to our connections at Atlanta, Rome, Chattanooga, Birmingham, Childersburg and Montgomery have increased over last year between two and three thousand tons.

Com'r Prouty: That includes your entire yellow-pine movement to the West?

Mr. Winburn: Yes, sir; yellow pine and other lumber.

Mr. Baxter: Those last figures you gave: 27,222 tons, 40,907 tons and 43,115 tons refer to your deliveries during the months of July, August and September?

Mr. Winburn: Yes, sir.

Mr. Baxter: And during the years 1901, 1902 and 1903?

Mr. Winburn: Yes, sir.

Mr. Baxter: Do you estimate that the same proportion of the lumber to which you have just referred was destined to points on and north of the Ohio river as was the case with lumber delivered by you to your connections in 1902?

Mr. Winburn: I should say so, yes, sir.

Mr. Baxter: How do the charges on lumber from Georgia to points on and north of the Ohio river compare with those upon the products of other industries—are they greater or smaller?

935 Mr. Winburn: There are only a few other commodities that move from southern territory to the middle West, and my recollection is that generally the rates on lumber are lower than on the other products that do move. I have in mind the shipments of melons, cotton-seed oil and cotton factory products. Those are the three principal products of the Georgia territory that move into that part of the West, and the rates on all those commodities are higher than those on lumber.

Mr. Baxter: Can you give us at this point the earnings of the Central of Georgia railway in cents per ton per mile on lumber and then its earnings in cents per ton per mile on all other commodities for the fiscal years ending June 30th, 1899, June 30th, 1900, June 30th, 1901, and June 30th, 1902?

Mr. Winburn: Yes, sir; I have those figures and will call them off. The average rate per ton per mile on lumber, of course, embraces all the traffic of the railway company, not only long-haul, western business, but short-haul lumber traffic to the southern ports—the port of Savannah. I will call the figures for the years ending June 30th, 1899, 1900, 1901 and 1902, first on lumber, and

936 then on all other commodities, excluding lumber. For the first period 8.55 mills; on all other commodities, 1.81 cents. For the next period 8.42 mills; on all other commodities 1.95 cents. For 1901, 9.01 mills on lumber; all other commodities 1.97 cents. For 1902, 8.33 mills on lumber; on all other commodities 1.177 cents.

Mr. Baxter: From those figures it seems that your average rate per ton per mile on lumber has been about 9 mills, while on other commodities it has been about 11 mills?

Mr. Winburn: Yes, sir.

Mr. Baxter: Can you furnish corresponding statistics for the year ending June 30th, 1903?

Mr. Winburn: I can do so. They have not yet been prepared.

Com'r Prouty: Can you give the receipts per ton per mile on lumber traffic to Ohio River points?

Mr. Winburn: We can by going back to the waybills. The information I have just given is compiled monthly from the waybills. It does not separate the movement in each direction.

Mr. Baxter: Now, while the rate per ton per mile on other

937 commodities increased in 1902 over 1901, how did the average rate on lumber in 1902 compare with that in 1901?

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Mr. Winburn: The average rate on lumber was lower in 1902 than in 1899. I have not figured out the percentage. The falling off in the average rate per ton per mile was comparatively small, but the record shows a decrease.

Mr. Baxter: The average rate per ton per mile on lumber, which you have just given, does not apply on all lumber traffic of the Central of Georgia railway?

Mr. Winburn: Yes, sir.

Mr. Baxter: Is that higher or lower than the rate per ton per mile earned by that company under the present rates on lumber which moves from Georgia and Florida points to the Ohio river and beyond?

Mr. Baxter: Have you prepared as an exhibit, a table showing the present rates, including the recent advance of 2 cents per hundred pounds from Midville, Blakeley, Macon and Albany, Georgia, to Cincinnati, Chicago and Detroit?

Mr. Winburn: Yes, sir; on the present lumber rates, showing the distances, the rates in cents per hundred pounds, and the rate per ton per mile.

938 Mr. Baxter: What is the average rate per ton per mile on lumber shipped under the present rates to points on and north of the Ohio river as demonstrated by that table?

Mr. Winburn: From Midville, which is a station on the Central railway between Macon and Savannah, the average rate per ton per mile is 0.71 cents; to Chicago 0.58 cents; to Detroit 0.66 cents. Midville is not now an important lumber shipping station to the West. That station immediately adjacent to the Central of Georgia, has been cut out. Tap lines have penetrated the forests farther away and we earn a cent less than the rate quoted here. The rate per ton per mile would be lower than I have named.

Com'r Prouty: You allow the tap line a division of 1 cent?

Mr. Winburn: We accept 1 cent less. From Blakeley, a similar comparison shows a maximum rate per ton per mile of 6.6 mills on Cincinnati business and a minimum of 5.4 on Chicago business. The statement covering the proportions accruing north of Macon on business originating on the Georgia Southern & Florida railroad shows substantially the same rate per ton per mile to all those points.

939 The statement covering shipments received from the Atlantic Coast Line at Albany shows a lower average rate, varying at Cincinnati from 5.5 mills to 4.6 mills at Chicago. Those points were selected because, as to Midville, it represented a midway station between Macon and Savannah in the yellow-pine district. Blakeley was adopted because it was an actual shipping point, a large mill being located at or near that point. Macon and Albany were selected because they were at that time the most important junction points from which the Central of Georgia received yellow-pine lumber from its connections.

(The exhibit above referred to is hereto annexed and marked "Exhibit 'A' to Mr. Winburn's testimony.")

Mr. Baxter: What would you call the lumber gateway of Georgia territory?

Mr. Winburn: Macon.

Mr. Baxter: There is not much lumber produced north of Macon?

Mr. Winburn: All that is produced is short-leaf pine and is largely used locally, I believe.

Mr. Baxter: What income bonds has the Central of Georgia railway now outstanding?

Mr. Winburn: It has three issues of income bonds, amount-
940 ing to $15,000,000; the first to four million, the second to seven million and the third to four million.

Mr. Baxter: What rate of interest do they bear?

Mr. Winburn: 5 per cent., if earned.

Mr. Baxter: If earned?

Mr. Winburn: Yes, sir.

Mr. Baxter: Has the interest been paid on your first series?

Mr. Winburn: 5 per cent. was paid during the year closed June 30th, and 5 per cent. was paid in 1901. The full interest on the first issue has not been earned except in those two years.

Mr. Baxter: How long have those bonds been issued?

Mr. Winburn: They were issued when the company was reorganized in 1895.

Mr. Baxter: On the second and third series?

Mr. Winburn: No interest has been paid on those?

Mr. Baxter: Why not?

Mr. Winburn: Because it has not been earned.

Com'r Prouty: Do you know what they represent?

Mr. Winburn: The minority stock of the old Railroad and Bank-
ing Company of Georgia, and what are known as the deben-
941 ture bonds. That dates a little further back than I can refer to with accuracy, but I think the debenture bonds represented certain improvements, etc., during one administration during which no interest was paid on any of the stock.

Mr. Baxter: Have dividends been paid on the stock of the Central of Georgia railway during those years?

Mr. Winburn: No, sir; none has been paid since its reorganization.

Mr. Baxter: In 1895?

Mr. Winburn: Yes, sir.

Mr. Baxter: The stockholders have got nothing?

Mr. Winburn: No, sir.

Mr. Baxter: How have the operating expenses fluctuated since 1897? Have they increased or diminished or how?

Mr. Winburn: The operating expenses per mile of road operated

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in 1897 amounted to $2,193.61; the expenses increased steadily year by year until by 1902, during which year the average per mile amounted to $2,998.39. I have not complete statistics covering the year just closed, but I figured out yesterday that the operating expenses had still further increased during the year just closed
942 to something over $3,600.

Mr. Baxter: To what is that increase in operating expenses due?

Mr. Winburn: The expenses have increased in all departments practically—the cost of materials and supplies, wages and the purchase of cars and rails and locomotives to replace the old ones that have been worn out.

Com'r Prouty: Have you in that connection your gross and net receipts per mile?

Mr. Winburn: Yes, sir; our gross earnings amounted in 1897 to $3,540.72 per mile. They increased steadily to $4,201.67 per mile in 1902. The net earnings in 1897 amounted to an average of $1,225.77 per mile and in 1902 they had decreased to $1,057.20 per mile.

Com'r Prouty: Do you know how your accounts are kept as to operating expenses:

Mr. Winburn: Yes, sir.

Com'r Prouty: Do you charge new equipment to operating expenses?

Mr. Winburn: We charge everything we buy and pay for. We have no other means.

Com'r Clements: They were kept the same way both those
943 years?

Mr. Winburn: Yes, sir.

Com'r Prouty: Do your reports to the Interstate Commerce Commission show the amount of new equipment charged to operating expenses?

Mr. Winburn: I do not think it is itemized. It is shown under the general item "Maintenance of way and maintenance of equipment."

Com'r Prouty: There is a page provided for that. You are asked to state how much in the way of permanent equipment or new equipment is charged to operating expenses. Some roads make that return and some do not. I wanted to know whether you did.

Mr. Winburn: I am not sure of that. I am not sure that the annual report follows exactly along the lines of the report to the Commission. I have not made a comparison, but the expenses are shown under the general heads of "Maintenance of way and maintenance of equipment, etc."

Com'r Prouty: Your auditor furnishes the Interstate Commerce Commission an itemized list of certain items which he is supposed

to carry into operating expenses and certain others that are
944 supposed to be carried into permanent improvements, and if he does not choose to keep his accounts that way, he is requested to state on another page the general amount of those items which our statistician treats as permanent improvements, etc., which he has actually carried into operating expenses. I presume your company makes that return.

Mr. Winburn: I have no doubt of it.

Mr. Baxter: Have you prepared a statement marked "Exhibit B," Mr. Winburn, of certain material, or articles purchased by your company in 1902?

Mr. Winburn: Yes, sir; I have a statement of 20 or 25 articles that enter into the operation of the railway, showing the quantity purchased in 1902, the price paid and the amount of money expended; also a comparison with the amount that would have been paid at prices that prevailed in 1897 and the saving that would have been made under those prices. The items amount to a total expenditure of $1,240,137.03. At the prices shown on the invoices as prevailing in 1897 the price would have been $896,871.37. If we could have bought those articles in 1902 at the prices we paid in 1897, we would have saved $343,265.66. The prices advanced on an average of 38.27 per cent.

945 Mr. Baxter: Now, that $343,265.66, how much of that represents the increased price of lumber?

Mr. Winburn: The statement shows that during the year 1902 we purchased twenty million and odd feet of lumber at $11.82 per thousand, amounting to $236,944.11, and if we could get it as cheap as we could in 1897, we would save $64,790.60.

Mr. Baxter: Does that sum of $343,265 represent all the increased cost of material purchased by your company?

Mr. Winburn: No, sir; only the increase on these particular articles.

(The above statement marked "Exhibit B, Mr. Winburn's test'm'y.")

Mr. Baxter: Have the rates on any commodities other than lumber been increased within recent years?

Mr. Winburn: Have the rates of freight?

Mr. Baxter: Yes, sir; on commodities other than lumber.

Mr. Winburn: Yes, sir; there have been advances from time to time on a number of articles. They are very difficult to accomplish. We did succeed in making an advance on cotton-factory products from Georgia mills amounting to 20 cents per ton to the East and a dollar a ton to the West. I do not just remember when
946 that advance was made.

Mr. Baxter: Was any advance made in coal rates from the Alabama and Tennessee fields to Georgia territory?

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Mr. Winburn: Two or three years ago we advanced the rate 10 cents a ton. I do not remember the date.

Mr. Baxter: The rates on pig iron, I believe, were advanced, were they not, and then the advance taken off?

Mr. Winburn: They were advanced a dollar a ton and a reduction of 50 cents a ton was recently made.

Mr. Baxter: Have any additional advances been made or changes of classification?

Mr. Winburn: A general revision of the classification was made perhaps 3 years ago. The classification had been allowed to run itself for about 10 years. Everybody who wanted his particular goods cut down by classification had been accommodated from time to time, and the whole tone of it was very low and an overhauling was given the classification in Washington in March, perhaps 2 years ago, and a number of advances were made at that time. Some reductions were made but the preponderating changes were in the nature of advances.

947 Mr. Baxter: What is your estimate as to how much the recent advance of 2 cents per hundred pounds in your rates on lumber to points on and north of the Ohio river will yield in revenue to the Central of Georgia Railway Company?

Mr. Winburn: That, of course, is a varying quantity. Our maximum advance would be 20 cents a ton. That would apply on that originating on our system. Our increased earnings on business from connections would be less. I have estimated the average increase at 15 cents per ton.

Mr. Baxter: How much would that amount to in the increase of your annual gross revenue?

Mr. Winburn: Estimating the increase at 15 cents per ton and the tonnage to which it would apply at 132,300 tons, the actual movement during the year 1902, the increased revenue would be $19,845. The estimated movement, of course, was arbitrary. We knew only that a certain number of tons had been delivered to our western connections. I estimated, I believe, that 85 per cent. of that business had moved to points on and beyond the Ohio river. That is my recollection of the way I arrived at an estimated movement of 132,300 tons—85 per cent. of 147,000 tons.

948 Mr. Baxter: Does the average freight on yellow-pine lumber from points in Georgia to points on and north of the Ohio river equal or exceed the average value of that lumber at the point of shipment?

Mr. Winburn: I have no personal knowledge of the prices actually obtained on the lumber going into that territory. Estimating the weight of lumber at 4½ pounds to the foot, which I believe is the maximum and more than the average by more than half a pound, and the average rate at 25 cents per hundred pounds, which is more than the Cincinnati rate, and somewhat less than the Chicago rate,

the freight would average somewhere in the neighborhood of ten dollars a thousand. The price we actually paid last year was $11.82 per thousand. I assume, therefore, that the average price paid in the West is more than the average freight rate.

Mr. Baxter: Something has been said in this case about the freight on yellow pine exceeding the value of the pine at the point of shipment. Do you know of any commodities, the freight on which does exceed the value at the point of shipment? Take coal for instance.

Mr. Winburn: Well, that is the example that first presents itself to my mind. The coal rates from the Alabama mines into
949 Georgia, are, I suppose, in every case as much or more than the value of the coal at the mines. Coal, however, has advanced very much the last few years and I do not think we have been able to keep up our freight rates at the same pace. At one point on the border of Georgia that may not be true. The rate to Columbus, Georgia, is $1.25. I suppose the coal is bringing $1.50. At Macon, Georgia, the freight rate is $1.60, slightly more than the cost at the mines, and the rates to some other points in Georgia are higher. To Savannah, the rate is $1.80, considerably more than the price.

Mr. Baxter: I do not think we can get through with this witness this afternoon, and it is now 15 minutes after your usual adjourning time.

Com'r Clements: One moment. Before we take a recess, Mr. Compton, the statement we asked you to make for the months of September, October and March, in respect to certain shipments,—you will have to look at the waybills, to do that, I understand. Are those the papers you get that information from?

Mr. Compton: Yes, sir.

Com'r Clements: We would be glad when you do that, as you have to go through the waybills, if you would bunch the
950 waybills together so that if we had occasion to look at them it could be conveniently done. You could save the waybills and keep them separate, could you not?

Mr. Compton: We would work it this way: Anything of such late date as that is in our auditor's office in our own building and ready for use. We would have that drawn off in statement form and would not have the copy of the waybills made, because it would be extra work.

Com'r Clements: You would not put them together in making that statement?

Mr. Compton: No. In the March case, the matter came up so quickly, that is, we had to get the information so much more promptly than usual that I had the agents at Cincinnati, Louisville and Evansville make me copies of the waybills.

Com'r Clements: The waybills could be found if we should want them? They will be preserved anyhow?

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Mr. Compton: Yes, sir.

Com'r Clements: We might have occasion to see them, but you need not bunch them for that purpose. Mr. Winburn, I see you have a statement for the months of July, August and Sep-
951 tember of tonnage of lumber for western destinations delivered to your connections in that direction?

Mr. Winburn: Yes, sir.

Com'r Clements: Could you not give us a statement for October for each of these three years similar to that?

Mr. Winburn: I can as soon as our statistics are in. We get those figures about the 25th.

Com'r Clements: Take October for each year. You could also furnish us the shipments to the East and in the direction of the seaboard similar to that—that is, October of each year.

Mr. Winburn: We have four classes of business: The business to the seaboard that there takes the water, the all-rail business to the East, this western business, and the business delivered at points in the South, like Atlanta, Rome and Chattanooga. Which of those do you want?

Com'r Clements: We do not care for the statement of deliveries to Georgia, locally.

Mr. Winburn: You would like them to the East and West and to the seaboard?

Com'r Clements: Yes, sir; for the month of October each year. We will take a recess until 9 o'clock in the morning.

At 5 o'clock p. m. the Commission adjourned until 9 o'clock a. m. October 31st, 1903.

952 ATLANTA, GA., *October* 31, 1903—10 a. m.

Com'r Clements: Judge Baxter, you may proceed with the examination of Mr. Winburn.

Mr. Winburn resumed the stand.

Mr. Baxter: Mr. Winburn, how does the profitableness of freight rates from Georgia points on lumber to points on and north of the Ohio river compare with the profitableness of the rates on other commodities produced in southern territory?

Mr. Winburn: The rates on lumber are generally not only lower to the West than all of our lumber rates, but generally lower in our opinion than rates on other commodities in the South.

Mr. Baxter: Have you Exhibit "C" showing rates in cents per hundred pounds on articles named from Albany, Ga., to Chicago, Ill., and Cincinnati, O.?

Mr. Winburn: Yes, sir.

Mr. Baxter: Please explain to the Commission what that exhibit shows?

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953 Mr. Winburn: This is a comparison of the advanced lumber rates with the rates on watermelons in car-loads, on cotton-seed oil in car-loads and cotton yarns, from Albany, Ga., to Cincinnati, Ohio, and Chicago, Illinois.

Mr. Baxter: Does it show the distances, the rates and rates per ton per mile?

Mr. Winburn: Yes, sir. The rate on lumber from Albany to Cincinnati is 24 cents; on watermelons 27.3 cents; on cotton-seed oil 34 cents, and on cotton yarn 49 cents.

Mr. Baxter: What is the rate on rosin from Albany to Cincinnati?

Mr. Winburn: My recollection is that we have no rate from Albany to Cincinnati. We prefer to take the rosin to the coast, to Savannah, and our rate to Savannah is about 10 cents. The distance from Albany, Ga., to Cincinnati is 669 miles; and the rate per ton per mile is the lowest on lumber; being 7.34 mills on lumber, advancing to over 8 mills on watermelons; it is over a cent per ton per mile on cotton-seed oil, and 14 mills plus on cotton yarns. The rates are shown also to Chicago, being 25 cents per hundred pounds on lumber; 42.3 cents on watermelons; 44 cents on cotton-seed oil, and 50 cents on cotton yarns. The lowest rate per ton per
954 mile is on lumber, being 5.39 mills; and the highest is on cotton yarns, which is 1.07 cents.

Mr. Baxter: Please file that statement as a part of your testimony.

(The statement referred to is hereto attached and marked Exhibit "C"—W. A. Winburn.)

Mr. Baxter: How does the total actual weight of cars and the capacity per car of coal and pig iron compare with per car of lumber?

Mr. Winburn: The information we have on that point is covered by a statement of the actual number of cars that we have transported of each commodity—that the Central Railroad of Georgia handled during the months of February and March, 1903, showing also the total weight of the loads and the capacity of the cars, both in tons, and the percentage of the loads to the capacity of the cars in each case. There were 1,454 cars of lumber handled, the loading of which amounted to 35,041 tons, in cars which would carry 45,630 tons. Therefore the lumber was loaded only to 76.79 per cent. of the total capacity of the cars. There were 5,081 cars of coal, which was loaded to 96.15 per cent.

Mr. Baxter: You mean 96.15 per cent. of the capacity was
955 loaded on an average?

Mr. Winburn: Yes, sir; in other words, there were 153,487 tons of coal shipped in cars which had a marked capacity of 159,641 tons. So the coal cars were practically loaded to their full capacity. There were 494 cars of pig iron shipped, weighing 15,305 tons actu-

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ally, being loaded in cars marked to carry 15,808 tons, or 96.82 per cent. of the total capacity.

Mr. Baxter: Will you file that statement as a part of your testimony?

Mr. Winburn: Yes, sir.

(The same is hereto attached and marked Exhibit "D"—W. A. Winburn.)

Mr. Baxter: Does pig iron move in box cars or in flat cars generally? I mean in going to Ohio River points.

Mr. Winburn: I do not know what the practice is with respect to the westbound business in pig iron. We handle a small amount from two furnaces in northwest Georgia, but I cannot say as to the character of the equipment in which it is loaded. The pig iron that we handle moves chiefly from the Birmingham, Alabama, district to the East via Savannah and steamer. We load that practically in box cars. In some cases box cars are not convenient
956 and coal cars are loaded; but I do not recall any instance in recent years where it was loaded on flat cars. If loaded on flat cars, they would have to be prepared for that service.

Mr. Baxter: With respect to such box cars as are used for the transportation of pig iron, do they come into the South for it usually loaded or empty?

Mr. Winburn: We haul this traffic exclusively in our own equipment.

Mr. Baxter: Are the flat cars used on your road for the transportation of lumber furnished to the millmen at their request, or do you do it of your own motion?

Mr. Winburn: Where they are furnished they are furnished at the request of the millmen. The millmen prefer the flat cars.

Mr. Baxter: Is that because they are more easily and more expeditiously loaded than box cars, with lumber?

Mr. Winburn: My information is that they are more cheaply loaded. I have no case in point as to western traffic, but I do recall that in our own local traffic we found the lumber shippers loading flat cars with boards that could be loaded conveniently into box cars. It was not convenient for us to furnish flat cars, and
957 we insisted that they use box cars. At one time the millmen refused for several weeks to load the cars; they said they would not load them. However, we finally prevailed upon them to use box cars.

Mr. Baxter: Are the shippers of any other commodities than lumber required to protect them by equipping the cars so as to prevent them injuring themselves or wrecking trains in which they are carried? For instance, machinery, agricultural implements, and things of that sort, carriages and vehicles, who braces them?

Mr. Winburn: In a general way I understand that any traffic re-

quiring a flat car has got to be so secured on the car that it will not fall off or roll off, or project over the sides and do damage to property or trains, and I do not recall any flat-car traffic handled on a different basis.

Mr. Baxter: In the case of fruits and vegetables, they are required to be crated. At whose expense is that done?

Mr. Winburn: Fruits and vegetables are not only crated, but perishable fruits shipped from Georgia, such as peaches, require a great deal of ice and refrigeration, and that ice is purchased by the owner and put into the car.

Mr. Baxter: Now, where articles other than lumber require particular care or bracing, are the freight charges upon such
958 articles on your system assessed upon the net weight of the articles themselves, or upon the gross weight, including the weight of the braces used to secure the traffic?

Mr. Winburn: My impression is as to flat-car traffic the gross weights are charged. The rule of the classification is to make an allowance on certain articles shipped in box cars. I have not those articles in mind.

Mr. Baxter: Have you had occasion to have an investigation made of the value at the mills of lumber used for standards, binders, and bearing pieces, used on flat cars in loading lumber?

Mr. Winburn: Yes, sir. We were surprised when this case came up before Judge Speer in Macon at the estimate made. We had an entirely different view from the view expressed by the lumber people in regard to the equipment of these cars, the value of the material and the weight of it, and we employed a lumber inspector at Savannah to examine one hundred cars of lumber loaded on flat cars just as they came into the yards at Savannah, for the purpose of ascertaining what character of equipment had been put on the cars by the lumber people—of what quality, of what dimensions, and what, in his opinion, was the market value. He did so inspect
959 the one hundred cars. Forty-eight of those cars, I believe, were loaded with timber projecting over the ends of one car, requiring two cars for loading, and on these cars these so-called bed pieces were used. On the other cars only standards and binders across the top were used. He found that on the one hundred cars there was used 10,450 feet of lumber, board measure, and the value of that lumber, as estimated by the lumber inspector was $64.38.

Mr. Baxter: That would be how much per car?

Mr. Winburn: That would be 64 cents and a fraction per car. With the exception of a few cars the lumber was of some value. In some instances the standards were apparently rotten and not of any value at all; in most cases some value attached to it. Under the head of quality some are marked "seconds" some "merchantable" and some "rotten."

Mr. Baxter: Does the paper contain the report of the inspector to you?

Mr. Winburn: Yes, sir.

Mr. Baxter: Does it show how many standards there were used on the cars?

Mr. Winburn: Yes, sir.

Mr. Baxter: That was lumber moving where?

960 Mr. Winburn: Lumber moving to Savannah for shipment by water. We had no means for inspecting any other cars. These are cars delivered on our rails. We could not inspect cars going to the East or West all-rail; we could not stop the cars for that purpose. This was the only investigation we could make. The inspector estimated the average weight of this lumber was 4½ pounds to the foot. He found 100 feet approximately on each car. So the average weight of that equipment was practically 450 or 500 pounds.

Mr. Baxter: Please file that statement as an exhibit to your testimony?

Mr. Winburn: Yes, sir.

(The same is hereto attached and marked Exhibit "E"—W. A. Winburn.)

Mr. Baxter: Is it practicable to operate varying rates on different grades of lumber?

Mr. Winburn: It is not in my opinion.

Mr. Baxter: Why not?

Mr. Winburn: In order to maintain two rates on pine lumber, for example, we would either have to depend on all the shippers to give us a correct statement of their shipments, or employ inspect-

961 ors at our expense to ascertain what kind of lumber the cars contained. We could not undertake to carry on an inspection of that sort. That requires skilled men, and to keep them employed would be a very expensive arrangement, and in my opinion would not be satisfactory. There would always be disputes as to whether the lumber shipped was of one grade or the other, and whether the higher or lower rate applied.

Mr. Baxter: You do discriminate in rates between walnut and cherry and other lumbers of value?

Mr. Winburn: We have no such shipments, but I know that is done, from my experience, in other territory.

Mr. Baxter: Some railroads also have discriminations in rates between oak lumber and other kinds of lumber, do they not?

Mr. Winburn: I believe so.

Mr. Baxter: In those cases the inspector would have nothing to do but look at the lumber and tell whether it was oak or poplar?

Mr. Winburn: It would be easy enough to distinguish one kind of lumber from another, but it seems to me it would be difficult to make a line of demarcation between one class of pine lumber and another class.

Mr. Baxter: Referring to the increase of one cent per hun-
962 dred pounds in rates from Georgia points to points on and north of the Ohio river, made in January, 1900, what line got the benefit of that increase?

Mr. Winburn: The originating line; the line on which the lumber was manufactured.

Mr. Baxter: Was not that increase made by the lines north of the Ohio river, in January, 1900?

Mr. Winburn: I am wrong. I thought you referred to the first advance. There were three advances, as I recall the facts. The first advance was made, I believe, in September, 1899 by the originating roads. The second advance, as I recall it, was made by the trunk lines comprising part of the through route.

Mr. Baxter: What do you mean by the trunk lines?

Mr. Winburn: I mean by that that part of the line from the point where the originating road delivered the lumber to its main-line connection to the Ohio river; say, for example, as to lumber shipped from points on the Georgia Southern & Florida, from Macon through to the Ohio river.

Mr. Baxter: The second advance was made by those lines?

Mr. Winburn: Yes, sir.

963 Mr. Baxter: That is, by the lines which operate between the termini of the originating lines and the Ohio river?

Mr. Winburn: Yes, sir.

Mr. Baxter: When was the next advance—the third advance?

Mr. Winburn: The third advance was made by the lines north of the Ohio river. That only applied to traffic destined to that territory.

Mr. Baxter: North of the river?

Mr. Winburn: Yes, sir.

Mr. Baxter: And not to shipments to the Ohio river to stop there?

Mr. Winburn: No, sir.

Mr. Baxter: This last advance of two cents per hundred pounds, how was that divided between the different carriers?

Mr. Winburn: My recollection is that was distributed in different proportions to perhaps all of the lines. I know in some cases that only half of one cent of that advance was allowed to the originating line; in other words, the originating line which prior to the first advance was getting 4 cents up to the base point obtained an increase of one cent when the first advance was made. When this additional advance was made between the basing points and the
964 Ohio river, the originating lines in some cases were allowed one half a cent on that, possibly a whole cent in some cases. In respect to the bulk of the traffic I think they did not get more than a half a cent.

Mr. Baxter: Did the lines north of the Ohio river get any of that two cents advance?

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Mr. Winburn: No, sir.

Mr. Baxter: I will ask you for your opinion as to the reasonableness or unreasonableness of the rates in controversy from Georgia points to points on and north of the Ohio river—I mean the existing rates—and give your reasons for any opinion you may express.

Mr. Winburn: It is difficult for me to make a concise answer to that question. I came into this territory in 1892, at which time I believe the rate to Cincinnati was 20 cents and to Cairo 17 cents; a three-cent reduction to Cairo having been made a year or two prior to that time. Those rates were maintained, I believe, until about 1894. I recall that one of the first important meetings I attended in this southern territory was a meeting at which the question of lumber rates was discussed. It was a meeting of the lines in the Mississippi valley with the lines in this territory; they then formed one association. I cannot after this lapse of time recall
965 just what seemed to be the greatest pressure. It is not my recollection that the Georgia traffic was in jeopardy on account of the Arkansas competition so much as it would have been if the Mississippi rates had been reduced without a reduction from Georgia. The Mississippi lines were very much alarmed about their business, is my recollection. They seemed to think that unless their mills had relief in the way of lower rates to Cairo that their traffic would go to the Arkansas mills. While I did not know very much about the competition between Arkansas and Mississippi, I did believe that if the Mississippi rates were reduced, the Georgia rates would have to be reduced, because I knew there was active and actual competition between the Georgia mills and the Mississippi mills. When the Mississippi lines advised that they were going to reduce their rates we followed, in the belief that we would have to meet that competition.

Com'r Prouty: Was the rate from Mississippi to Cincinnati the same as from Georgia territory?

Mr. Winburn: I think they were the same at that time. We made what seems to me now to have been an absurdly low rate. I think the issuing of that rate from Mississippi and Georgia
966 was a serious blunder; perhaps it is not worth while to refer to it, but I cannot help but feel that the Mississippi and Georgia lines both made a mistake in putting in such a low rate. We made a mistake for two reasons. The Arkansas mills as a group are very much nearer to Cairo than the Georgia or Mississippi mills, and if the Arkansas lines had seen fit to follow the reduction we made, they would have put in a rate we could not have met at all. We endangered our own opportunity to compete for this business in territory north of the Ohio river which bases on Cairo. We took a big risk I think of shutting our lumber mills out of that territory. Therefore, in restoring the rate from 13 to 17 cents we were still very much below the normal rate to river crossings. I consider

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the rate still abnormally low and think it should be very much advanced, and, if the business would stand it, I would advocate a further advance.

Now, the Cincinnati rate has not fluctuated in the same way. It is true that when the Cairo rate was reduced the Cincinnati rate remained stationary and that on the low-rate basis to Cairo we seemed to have crystallized the relation between the different Ohio River crossings. I think it is fair, taking the lowest rate to Cairo
967 and the old 20-cent rate to Cincinnati to push those rates up uniform, to the same extent, until we reach an unfairly high, or unreasonaby high rate to Cincinnati. Now, I do not think we have reached that point. I do not believe the rate to Cincinnati or the rates to territory beyond Cincinnati are unreasonably high. The rates to that territory from Georgia are not materially higher than from the yellow-pine district in Mississippi. They are not materially higher than they are from the short-leaf pine district in Arkansas; and those rates to what you might call the backbone of the territory on the western side of the mountains, starting at Buffalo and coming south towards Wheeling, West Virginia, are only slightly higher than the rates east of that divide. The Georgia lines, through the Virginia gateways, have established standard rates into New York and Pennsylvania without very much regard perhaps to these rates to the Buffalo and Pittsburg zone. Those rates are within two or three cents of the Buffalo-Pittsburg rate. The lines serving these mills working out through the Ohio River gateways have established rates to points in Ohio and they approximate the rates on the border line. I speak of this border line because rates to Cincinnati plus the rate to the Buffalo and Pittsburg zone makes
968 the highest rate from the Georgia mills. The rate to Pittsburg and Buffalo is higher than it is to Detroit and to points in Ohio. The rate is higher than to Scranton and points in Pennsylvania east, but only slightly higher. It seems to me therefore that as related to other rates they are not abnormally high. I do not understand that they are high enough to interfere with the movement of the business and not as high as the average rates we are obtaining on traffic; lumber is not paying its full share of the income that we require in order to pay expenses and interest on the bonded debt. If we assume that the passenger traffic of the Central railroad is paying its fair share of the expenses—in other words if we assume that it is just as profitable in proportion to the gross earnings as the freight business, it follows that our expense of operating the freight service is about 72 per cent. of the income, and as our average rate per ton per mile is about 11 mills the average cost on that hypothesis would be about three-quarters of a cent per ton per mile. I do not mean to argue that the passenger traffic does pay its full share of the expenses of operation. I don't know

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whether it does or not, but even if it does our freight traffic
969 costs three-quarters of a cent per ton per mile. None of this western business pays us that much. The Cincinnati business, which pays us just as much as the Pittsburg business, pays less than seven mills from our own stations where we get our highest average. It pays us less than business which originates on other roads, and we have to pay them their share.

So I see nothing in the Cincinnati rates to indicate to my mind that they are unreasonably high. Certainly the Cairo rate, which pays us only slightly more than a half a cent per ton per mile, is unreasonably low and ought to be advanced if the competition of other woods and other carriers would permit us to put them up. Now, I do not recall that when these rates were advanced to Cairo and Cincinnati that this feature of the situation was argued; it does seem to me, however, that it should fairly be taken into consideration. The Georgia lines reduced the rates from the Georgia mills to Cairo for, I should say, an average distance of 700 miles or more to the same figure, or approximately the same figure, as applied from Arkansas mills, which were not more than 500 miles on an average.

We crowded our traffic into a territory that might reasonably
970 be considered a territory to which they would carry and should carry differential rates, lower rates.

Mr. Baxter: What do you mean by "they"?

Mr. Winburn: The Arkansas lines. Now, if we had in putting up the Cairo rate said "No; we won't put up the Cincinnati, Louisville and Evansville rates" it seems to me the Cairo lines would have said "If you will not put up the rates to the upper river crossings we will not put up the rate to Cairo," and we would have been in the position of having to haul the Cairo business, which is the bulk of the business—I mean the business which bases on Cairo—at an unremunerative rate, or put up the rates without a corresponding advance from Arkansas, and our mills would have been shut out of that territory. It seems to me it was good business judgment on the part of the Georgia railroads to put up the whole line of rates to Ohio River crossings until every one of those crossings reached a point that was unreasonably high.

Mr. Baxter: Mr. Winburn, I hand you a statement headed "Statement of rates from G. S. & F. Ry. Group 1 to western gateways." It shows the various changes in rates that have occurred since May 28, 1894, to Louisville, Cincinnati, Evansville St. Louis, and to Cairo proper and to Cairo for beyond. I wish you would make
971 that statement a part of your testimony and say whether or not it is true that the rates to Louisville, to Cincinnati, to Evansville, to St. Louis, to Cairo proper and to Cairo for beyond have changed uniformly and relatively all the way through that paper. For instance, in 1894 the rate to Louisville was 18 cents; it is now 22 cents—an increase of 4 cents.

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Mr. Winburn: Yes, sir. In other words, you mean that the rates to all of these points have been lowered and advanced to the same extent at the same time?

Mr. Baxter: Yes, sir.

Mr. Winburn: Yes, sir; that does seem to be the fact, and that is my recollection of the fact also.

Com'r Prouty: That has been testified to by another witness, Judge Baxter. Is there any question about that Mr. Boatright?

Mr. Boatright: No, sir.

Mr. Baxter: It was my object to put it in condensed form to show the exact figures and the exact dates. I do not wish to elaborate on it.

Mr. Boatright: We make no question as to the correctness of the figures.

Mr. Baxter: You may take the witness.

(Statement referred to hereto attached and marked Exhibit "F"—W. A. Winburn.)

972 Cross-examination:

Mr. Boatright: You stated, Mr. Winburn, that you, among others, had expected that the lumber people would be able to advance their prices on lumber to the extent of this increase in the rate and thereby compete just the same as before. Can you say whether or not that result came about as you anticipated? Have they not been unable to do so?

Mr. Winburn: My information is that, according to the purchases of lumber that we have made the advance in price has been much more than the advance in the freight rate.

Mr. Boatright: Would the advance in the freight rate produce any effect on the lumber sold in Georgia?

Mr. Winburn: No, sir.

Mr. Boatright: Then that would not have produced any effect on the purchases made by your line?

Mr. Winburn: No, sir.

Mr. Boatright: Taking the period with which you make comparison in regard to prices paid by the Central railroad, going back to the earlier dates, where was most of your lumber procured—from points on your line or from other lines?

973 Mr. Winburn: I stated in my testimony last evening that in a general way the lumber was purchased in the same territory in which it was purchased before—either on our line of road or short connections. The only exception is that in purchases made in later years there have been some on the branch of the Georgia & Alabama. We leased that property—58 miles—to the Georgia & Alabama railroad several years ago, but we reserved the right to still obtain lumber from that territory upon payment

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of three mills per ton a mile. It is a large lumber territory, and until recently we bought a great deal of lumber on that line, but we only had a nominal rate of freight—three mills per ton per mile.

Mr. Boatright: In so far as these purchases came from other lines, you would pay an additional amount? That would be an additional element of cost?

Mr. Winburn: Yes, sir; but I made an inquiry about that and found that the freight rates did not in the majority of cases affect the price at all. We buy, for example, from mills in southwest Georgia to supply that part of the road; from mills in Alabama to supply that part of the road, and southeast of Macon we would naturally buy on the G. S. & F. or Georgia & Alabama between Savannah and Macon, but only for that part of the line. Practi-
974 cally all of our territory west of Macon is supplied by mills immediately on our line.

Mr. Boatright: Do you not require much larger timbers and more rigid inspection now than you did in the earlier period with which you make comparison?

Mr. Winburn: I have no doubt that is true. My impression is, though, that our people are working along different lines in the way of strengthening or improving the roadway; that is, where they cannot fill they use iron. In other words, I do not understand that we are buying a large quantity of extra large bridge timbers. I made an inquiry on that subject this week and found that bridge timbers were costing us from $13.00 to $16.00 a ton.

Mr. Boatright: In the earlier periods named what was the character of the lumber shipped from Georgia to the West? Was it not generally large timbers, or more so on an average than now?

Mr. Winburn: I am unable to say.

Mr. Boatright: Is it not a fact that that class of lumber is being very rapidly worked out in Georgia and for that reason is more expensive than formerly?

Mr. Winburn: Yes, sir; it is growing scarcer, and I should say that in the natural order or course of trade it would grow
975 more expensive.

Mr. Boatright: At the time of the last increase of two cents per hundred pounds was there any corresponding increase made from North Carolina points to Buffalo and Pittsburg territory and to the States immediately north of the Ohio river?

Mr. Winburn: Not to my knowledge.

Mr. Boatright: Would that not place the Georgia shipper at a considerable disadvantage where he came in competition with North Carolina pine?

Mr. Winburn: I am not apprised of any competition.

Mr. Boatright: But you are not prepared to say that there is not such competition, are you?

Mr. Winburn: I have never heard that there was any.

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Mr. Boatright: Are many mills located on tap lines which are allowed proportions by the larger lines?

Mr. Winburn: I think so.

Mr. Boatright: What proportion would you say that the mills located on such lines would bear to those located on the larger or trunk lines, approximately?

Mr. Winburn: I would not undertake to express an opinion. I have not even a remote idea.

976 Mr. Boatright: Would you say that there were probably as many on tap lines now as there are on the larger lines?

Mr. Winburn: I think, Mr. Boatright, that would depend on what you call tap lines.

Com'r Prouty: On these lines which take a differential.

Mr. Boatright: A differential higher than the group rate of the line with which they connect.

Mr. Winburn: You cannot class them very well that way. It seems to me that there are three classes of lines in Georgia—the old main highways built many years ago, such as the Central railroad, the old East Tennessee railroad, and the Savannah, Florida & Western. They penetrated that lumber territory, and the lumber along these lines was cut out. Then roads like the G. S. & F. were built to penetrate the heart of the lumber territory, the yellow-pine territory. Then later on roads like the Georgia, Florida & Alabama and the Atlantic & Birmingham railroads were built and developed in their present form. The G. S. & F. carries the standard rate. The Atlantic & Birmingham carries a higher rate. The Georgia, Florida & Alabama carries a higher rate, and yet neither of those roads to my mind are tap lines. Both of them are roads exceeding 100 miles in length. The Atlantic & Birmingham

977 railroad is 200 miles long.

Com'r Prouty: The Southern railway carries a rate of 23 cents from Georgia Group 1 to Cincinnati?

Mr. Winburn: Yes, sir.

Com'r Prouty: What proportion of the lumber shipped from Georgia bears as high a rate as 23 cents to Cincinnati?

Mr. Winburn: Practically all; substantially all.

Commissioner Prouty: And part of it a still higher rate—25 cents?

Mr. Winburn: Part of it one cent and part two cents.

Com'r Prouty: What part would bear 2 cents and what part one cent?

Mr. Winburn: I have not an estimate in my mind.

Mr. Boatright: In preparing tariffs and divisions, Mr. Winburn, do not the larger lines practically make both rates and divisions for these smaller lines?

Mr. Winburn: I am sorry to say that they do not. We make the best rate we can. I know we do not dictate the rates or divisions.

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Mr. Boatright: Is it not a fact that tariffs are often published with certain totals showing the divisions without even consultation with such lines?

978 Mr. Winburn: I have in mind no case where divisions have been changed without consultation between the different parts of the line. We frequently change the lumber rate, and when we advanced the lumber rate 2 cents per hundred pounds we expected to get all of it—the trunk line part of the line, but we did not do it.

Mr. Boatright: When the first increase was made effective September, 1899, did the initial lines get the whole of that one cent, especially if that initial lines was one of these small lines that had theretofore been carrying three cents?

Mr. Winburn: The increase went to the lines up to the base points. Take the traffic of the G. S. & F. railroad. The advance of one cent accrued to the G. S. & F. on business which it originated. I do not now recall whether the G. S. & F. divided up with the tap road back of it or not. The increase went to the line up to Macon, but I do not know how it was divided between the originating roads.

Mr. Boatright: Is it not a fact that it all went to the originating line if the originating line was big enough to take it?

Mr. Winburn: I expect that is true. It is a matter of negotiation.

979 Mr. Boatright: How do you explain and justify the grouping that obtains in Georgia territory, practically all of that territory, which carries from one to two cents higher than the Southern railway, and therefore higher than Alabama and Mississippi?

Mr. Winburn: Well, we abandoned the grouping with the Southern railway because we did not think we could afford to stay in that group any longer. The grouping between these lines which carry one cent higher than the Southern railway and the lines carrying still higher rates came about in this way it seems to me: Take, for example, the line of the Central railroad from Macon to Savannah; the first cutting of timber was done by mills situated, I judge, immediately on the line of road. Subsequently these logging roads were extended back into the forests. Some of them were built in a temporary manner, and when the logging operations ceased they were abandoned. In other cases they penetrated a more or less productive country and afterwards were made permanent common carriers. It became necessary to publish rates on lumber from those lines in order that the tap roads might extend their lateral branches, and the main lines instead of requiring their

980 full rate from the junction point which they had obtained when the mills were situated on the line direct, made a shrink in the rate. The Central railroad, for example, does not charge the full rate from Midville, Ga., on lumber originating on the Midville,

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Swainsboro & Red Bluff railroad going to the west. We formerly got the full rate on all lumber manufactured there going west. We bear our part of the burden of the additional transportation now. These branch lines cannot continue as common carriers to serve the third and second logging roads back of them without them getting a fair share of the through rate that obtained from the main line, because some main lines are cut out; some are not. There is more or less direct competition. It seems to me that branch lines should carry a higher rate is natural. We would like to get from Melville to Cincinnati of course just the same full rate that we got ten years ago, and we could get it and could maintain it fairly if there was not competition still on the G. S. & F. and the Georgia, Florida & Alabama and the Atlantic & Birmingham, and on the Coast Line and the Seaboard. All of our branch lines could be put up to the full combination if it was not for the competition of other timber in Georgia.

Mr. Boatright: That is, competition between lines in the
981 same territory or similar territory, in the same section of country?

Mr. Winburn: Yes, sir.

Mr. Boatright: But what would be the logical result of that? If you could do that in the absence of competition, and do do it, if a man tried to sell his lumber in competition with Mississippi where no such condition exists, could he do it?

Mr. Winburn: I think that is something we cannot undertake to control. It seems to me that the development of the yellow-pine industry in Mississippi has not reached that stage of development that it has in Georgia. In the first place it started in Georgia first and pursued just the course I have described. These main highways were established and the timber was cut out on the strip of territory adjacent to their lines. After this was done, roads like the G. S. & F. were built. Now we have reached the third stage of development, and the little road has branched out from the G. S. & F. The development has only reached the second stage in Mississippi. Roads like the Gulf & Ship Island have come in and supply a large amount of timber, just like the G. S. & F. in Georgia. When these
982 roads cut out their timber smaller roads will penetrate further, and when that comes about it seems to me that there will be this grouping in Mississippi. I think groupings are different because conditions require it.

Mr. Boatright: The rates from the Gulf & Ship Island are exactly the same per car as from points on the Illinois Central, as I understand?

Mr. Winburn: Yes, sir.

Mr. Boatright: Although the Gulf & Ship Island receives a differential of from 5 to 7 cents?

Mr. Winburn: Yes, sir.

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Mr. Boatright: The Illinois Central shrinks that whole amount?

Mr. Winburn: Yes, sir. There is the G. S. & F. our connection. We make the same rate. We do not shrink 4 cents; we shrink 5 cents.

Mr. Boatright: That is because the G. S. & F. might deliver its lumber to some other connection.

Mr. Winburn: Yes, sir.

Mr. Boatright: Just as the Gulf & Ship Island?

Mr. Winburn: Yes, sir.

Mr. Boatright: I think the testimony is that in Mississippi there are these logging roads,—there are these tap-line roads,
983 but the trunk lines do not still allow them a differential; they maintain their rates absolutely from the point of junction and the lumber manufacturer is obliged to get his lumber to the junction point. Now, do you see any difference to the lumber manufacturer whether you oblige him to take the lumber down to the junction point at his expense or impose a rate one cent higher from the mill and allow him a cent differential to get his lumber down there?

Mr. Winburn: Those branch lines in Georgia from which through rates are published and which have a share in the through rate are not logging roads.

Mr. Boatright: Not owned by the owners of the mills?

Mr. Winburn: I do not know of any instance. They have passed beyond that stage. The saw-mills originally built them, but they are now common carriers in the true sense of the term.

Mr. Boatright: If the custom had grown up among the railroads of extending the group rate out over the tap lines, would it not be manifestly unfair and unjust thereafter to make a different
984 basis, especially if people on account of that custom had made considerable investments and thereby put them at a disadvantage in the markets?

Mr. Winburn: I do not think that applies. I do not think you can get down to a specific relation. You can change them. We could not afford to continue them, and we did not think anybody would be damaged by changing them, although for many years I have no doubt they were the same.

Mr. Boatright: The G. S. & F. rate was originally the same, was it not?

Mr. Winburn: I do not know; I judge it was.

Mr. Boatright: The G. S. & F. railroad in Georgia bears a relation very similar to the Gulf & Ship Island railroad in Mississippi, does it not?

Mr. Winburn: Yes, sir; I so understand.

985 Mr. Boatright: Can you say whether or not the lines in Arkansas pay considerable proportions to the logging roads with which they connect?

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Com'r Prouty: That fact has been stipulated into the case.

Mr. Baxter: I think your honor is mistaken there. I think that stipulation carried the testimony into the other case.

Com'r Prouty: Yes, and I think something was said about stipulating it into this case and I believe the record shows that you assented to it.

Mr. Baxter: I have no objection to it, but I wanted to keep the record straight.

Com'r Prouty: I think it had better be done. That shows what is done in Arkansas and how it is done.

Mr. Boatright: It was my understanding that Mr. Wimbish accepted that.

Com'r Prouty: I think the record shows it.

Mr. Baxter: If it does not, we will now agree that it shall.

Mr. Boatright: Very well. Yesterday, Mr. Winburn, you
986 gave some quotations on car decking. Can you say what price such material is bringing now?

Mr. Winburn: No, sir; I cannot without investigation. I think I could furnish it. We have within the last few months purchased material for several hundred cars.

Mr. Boatright: Is not that price now ranging from ten dollars to ten dollars and a half per thousand?

Mr. Winburn: I have no idea what the prices are. Do I understand that the Commission wants the information?

Mr. Boatright: We would be glad to have the information if you will furnish it. You make a comparison between melons, cotton-seed oil, factory products and lumber. Do you consider the actual rate, everything considered, in connection with transportation lower on melons than you do on lumber, while the rate per ton per mile may be slightly higher? Which is the more desirable business of the two?

Mr. Winburn: The comparison may not appear to be on analogous articles. They were selected, however, because they were the articles that actually moved.

Mr. Boatright: About the only ones in the territory?

987 Mr. Winburn: Yes, sir. I would have selected articles that bore a more striking resemblance to lumber, but no such articles moved to my knowledge. Certainly the watermelon traffic has similar features.

Mr. Boatright: Well, that is far less preferable is it not?

Mr. Winburn: I consider it a much more desirable traffic.

Mr. Boatright: Do you think on the average car of a given weight the railroad realizes more from it than from lumber when you take into consideration the hazard of handling and the claims that must invariably accompany such business?

Mr. Winburn: That is not the particular reason why I express preference for it. I think from the standpoint of the railroads the

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melon business is much more desirable, because it is an annual traffic and it is a steady traffic. The lumber traffic, once cut out, it is gone permanently and nothing takes the place of it, except by the slow process of farming and town-building.

Mr. Boatright: Do you understand that melons can be produced annually on the same ground for any considerable length of time?

Mr. Winburn: I thought so until recently, and bet a hat
988 on it and lost it. I know the melon traffic has for 10 or 12 years been going on in Georgia and there is no reason it should not continue—no reason except market conditions. While the same land, I learned recently, is not available perhaps more than 2 years for its production, the land can be put into cotton, corn or cane and brought back again after 5 or 6 years.

Mr. Boatright: Is it not a fact that there is an agreement among the lines handling melons that in case they do not realize the freight they will prorate the loss among them on a revenue basis?

Mr. Winburn: Yes, sir.

Mr. Boatright: Does any such rule prevail as to lumber?

Mr. Winburn: No, sir.

Mr. Boatright: Is not it very rare that lumber fails to bring the charges?

Mr. Winburn: I have never known of a case. It is always valuable enough to pay the freight.

Mr. Boatright: In reference to cotton-seed oil, is not that a more hazardous and dangerous product to handle as well as much more valuable for a given weight?

Mr. Winburn: Yes, sir.

989 Mr. Boatright: Now, in regard to factory products, do they usually move in car-loads or less and is there a difference between car-loads and less than car-loads?

Mr. Winburn: The rate is uniform on shipments in any quantity. The goods move from the larger mills in car-load lots. In all cases they are collected into car-load lots either with other products or otherwise. We combine them at our principal junction points.

Com'r Clements: I suppose in regard to those commodities the average car-load is worth more in the market than lumber?

Mr. Winburn: Yes, sir; a good deal more, I should say.

Mr. Boatright: Mr. Winburn, during this considerable period of prosperity, has not the increase of business to the railroads been proportionately great in all other lines, and why would not that make a sufficiently increased income without increasing the rates?

Mr. Winburn: That is not true in our business. Our business has largely increased but our net earnings, I am sorry to say, have not. The expense of operation has been much more in proportion than the increase in earnings. There was a long period of acute de-

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pression in the South, during which time we were unable to
990 make any improvements in the property. From 1892, when the road came out of the hands of the court until 1897, we were running along about as close to shore as a railroad ought to run and a little closer. We were not able to buy new engines to take the place of the older and smaller ones that were worn out. We were not able to keep up our equipments. The rails were being worn out. In those years we were barely able to live and pay interest on the mortgage debt and pay operating expenses.

Com'r Prouty: His statement shows that the net earnings decreased from about $1200 to one thousand dollars and something. Now, I think you need to find out from some other witness than this one how they keep their accounts, what they put into operating expenses, in order to show whether the financial condition of this road is such that they might not properly advance this rate, or any other rate, because his statement shows that the actual net earnings have declined very materially.

Mr. Winburn: The net earnings from operations.

Mr. Boatright: Has not your percentage of operating expenses to gross earnings been considerably less than the average Georgia railroad?

991 Mr. Winburn: I have made no comparison. I think our percentage of expenses to earnings has increased.

Com'r Prouty: It must have increased because your gross earnings have materially increased and the net earnings have materially increased. What you better do, Mr. Boatright, is to get the report that this company files with the Interstate Commerce Commission and ascertain whether that shows the facts that you desire to know. If it does not, you will have an opportunity to examine the auditor or some other officer to show what that statement means. This witness says he does not know.

Mr. Boatright: What is the total of the interest-bearing debt of your line?

Mr. Winburn: The total of the mortgage debt is——

Com'r Prouty: I understand that that all appears in the report that they file.

Mr. Boatright: I wanted to lead to another question from that.

Com'r Prouty: It shows the kind of security, stock, etc.

Mr. Winburn: The mortgage debt is $33,643,000 there being an additional outstanding issue of income bonds amounting to
992 fifteen million dollars. The total bonded debt is $48,646,000.

Com'r Prouty: How many miles?

Mr. Winburn: 1,845 miles, I believe.

Mr. Boatright: What is the total valuation as returned for taxation?

Mr. Winburn: I do not know.

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Mr. Boatright: Do you remember what it is in Georgia—what the Georgia mileage is?

Mr. Winburn: No, sir; I do not recall the mileage in Georgia.

Com'r Prouty: How is that valuation for taxation determined?

Mr. Winburn: I do not know. I have nothing to do with that.

Com'r Prouty: Do you know, Mr. Boatright?

Mr. Boatright: The return is made to the comptroller general.

Com'r Prouty: Does the railroad put a valuation on its property?

Mr. Boatright: Yes, sir. Could you furnish that information, Mr. Winburn, as part of your testimony?

Mr. Winburn: I think so.

993 Mr. Boatright: The value returned for taxation for the entire line, both in Georgia and otherwise.

Mr. Winburn: Yes, sir.

Com'r Prouty: You are asking what value his company puts on its property in the return to the comptroller general?

Mr. Boatright: Yes, sir. What proportion does the timber products over your line bear to the total tonnage handled?

Mr. Winburn: What percentage of our total traffic in tons do forest products bear to the total?

Mr. Boatright: Yes, sir.

Mr. Winburn: 22 per cent. even.

Mr. Boatright: Can you state in regard——

Mr. Winburn: No, I beg your pardon. The percentage in 1902 was 22 per cent. In 1903 the percentage was 23.47.

Mr. Boatright: Of the lumber moving west, can you state approximately what percentage of it moves in box cars and what percentage moves on flat cars?

Mr. Winburn: I should say about half of it moves in flat cars.

Mr. Boatright: Now, in regard to the equipment of cars
994 and the payment of freight on the weight of such equipment, you gave as a comparison the requirement that the shipper should place ice in refrigerator cars. Don't you make a deduction of 4,000 pounds on account of such ice?

Mr. Winburn: No, sir; we do not make any deduction, but we haul it free, but that is taken into consideration in the freight rate.

Mr. Boatright: If the car was assessed on weight there would be a deduction made wherever such is the custom?

Mr. Winburn: I do not understand that there is any rule making an ice allowance on fruits.

Mr. Boatright: There is no charge for it, however?

Mr. Winburn: None at all.

Mr. Boatright: Now, as to the value of equipment used on flat cars——

Com'r Prouty: I was going to ask how you got at the weight of the fruit?

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Mr. Winburn: We make a car-load weight. It is impracticable to weigh it. On a car 36 feet long we charge 20,000 pounds.

Com'r Prouty: And let them put what they can into it?

995 Mr. Winburn: Yes, sir.

Com'r Clements: They put in so many crates and a crate weighs so much?

Mr. Winburn: Well, we have an estimated weight of crates, but it is not used in assessing the freight?

Mr. Boatright: Recurring again to the matter of flat and box cars, in your estimate do you include gondola cars as flats in handling lumber West?

Mr. Winburn: Of course, a gondola car is not a flat car, but the western lines, some of them, do drop in a gondola to the South for lumber. That is used instead of a flat car and that is included in my estimate of 50 per cent. of the business.

Mr. Boatright: During the scarcity of cars there were a very great number of those used in this territory, were there not—perhaps as many gondolas as flats?

Mr. Winburn: I am not able to say.

Mr. Boatright: In reference to the equipment placed on flat cars by shippers, does your line make the same requirement for the coastwise movement that it does for the interior, both East and West?

Mr. Winburn: My understanding is that the rules are

996 uniform. I should judge, however, from the investigations we made at Savannah and from the testimony of some of the lumber people that the coastwise business is not as carefully inspected as the western business, for this reason, the coastwise business is, in a general way, handled for comparatively short distances over roads in a level country, and straight roads. Now, lumber handled under those conditions is not so liable to jostle from the body of the car or break the standards and cause a wreck as lumber hauled longer distances over these roads to the West. Our roads in a westerly direction are very crooked and mountainous and the equipment, it seems to me, must necessarily be sound and securely put on; otherwise, these long sticks of timber would either fall off or jut out over the side of the car and cause a wreck. Those conditions do not exist in the same degree in the transportation of coastwise business.

Mr. Boatright: It is hardly possible, then, that there could be lumber used for equipping these western cars—rotten standards such as are found in the yards?

Mr. Winburn: I hope not.

Mr. Boatright: Then, that would hardly be representative of the equipment on a hundred cars moving west.

997 Mr. Winburn: No, I think the value of the equipment on one hundred cars moved west, if the same percentage of cars had these large bed pieces would be worth more.

Mr. Boatright: You have stated that on account of the possibility

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of shippers taking advantage and billing superior grades for inferior, it would not be practicable to grade lumber and have a varying rate. Why would that be more true in reference to lumber than it is in reference to articles that are packed in boxes, casks or other packages where they are entirely closed?

Com'r Prouty: Do you ask to have that done in this case, Mr. Boatright?

Mr. Boatright: Mr. Baxter brought it out, I do not know for what purpose.

Com'r Prouty: I do not think it is worth while to spend much time on that.

Mr. Baxter: The argument was suggested at Macon. I think Judge Speare himself made the suggestion from the bench, that the trouble in this case was really not on the high grades, but on the low grades of lumber. We therefore introduced proof to show why they could not be separately classified.

Com'r Prouty: The testimony shows that practically all
998 this lumber is low grade, that is, the lumber from this section to the West.

Mr. Baxter: It depends on what we call low grade. Our testimony is that it is medium, high grade and low grade.

Mr. Boatright: Why would the railroads suffer any more in such a case as that than they do in the items of dry goods and cotton piece goods, one of which is first class and the other fifth and sixth, and yet they are concealed.

Mr. Winburn: I could only answer that in this way. We are paying $250,000 a year to support a weighing and inspecting bureau. If we classified lumber we would have to have another department for lumber. What it would cost nobody can say. We cannot bear that sort of burden. If we have to make varying rates on lumber and support an inspection bureau to see that what is alleged is shipped, we will probably have to advance more rates to protect ourselves.

Mr. Boatright: Could a rate contingent on valuation be made practical?

Mr. Winburn: I think not.

Com'r Clements: For what purpose is this testimony given?
999 Mr. Boatright: I am frank to say I do not know.

Com'r Clements: Then, had we better not drop it. There is no such question as that in the pleadings in this case, about dividing it up in two classes. It would save time to drop that, I think.

Mr. Boatright: As I understand it, back as far as 1894, the rate from this territory to Cincinnati, was 20 cents; to Louisville 18 cents, and what was it to Evansville at that time?

Mr. Winburn: I think it was a cent higher.

Mr. Boatright: A cent higher than Louisville, 19 cents, and at

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that time the rate to Cairo which had originally been 17 cents, was reduced to 13?

Mr. Winburn: Yes, sir.

Mr. Boatright: The rate had been 17 cents from this territory?

Mr. Winburn: Had been 20, then 17 and then 13.

Mr. Boatright: Now, during all that period of reduction there were no reductions made at Cincinnati, Louisville and Evansville. Is that correct?

Mr. Winburn: Yes, sir.

Mr. Boatright: Now, then, if no reductions had been made in those places, it is not quite clear to me why they should be
1000 increased whenever the Cairo proportion is increased.

Mr. Winburn: I tried to explain awhile ago that I thought those were justified when the rates themselves had reached an unreasonably high level, and that I did not think that level had been reached. Certainly if an advance in the lumber rates as compared with those in effect in 1894 can be fairly assessed on the traffic, there is no good reason from the railroad standpoint why they should not be, because our cost of doing business is very largely increased as compared with that period. I have shown in my statements that in a list of 24 important items we purchase in connection with the operation of the railroad, they have increased 38 per cent. It costs us a great deal more to do business, and if we can fairly make the increased charges we ought to make the increased charges on lumber and other commodities.

Mr. Boatright: Then, the rates now to those three Ohio River points are 4 cents higher than they have ever been previous to 1899?

Com'r Prouty: Higher than they have been since 1892, not higher than they have ever been. That has been gone into and he has stated all his reasons for thinking the advance was justifiable
1001 in his direct examination.

Mr. Boatright: I do not understand that there has ever been a rate higher than 20 cents to Cincinnati.

Com'r Prouty: Oh, yes.

Mr. Boatright: Previous to 1899?

Com'r Prouty: There was a flat-car rate 3 cents higher and my impression is that in 1887 the rate was higher than that.

Mr. Boatright: I understand that those comparisons were based on Chicago and not Cincinnati.

Com'r Prouty: What comparisons?

Mr. Boatright: The 3 cents higher on flat cars.

Com'r Prouty: I think all the Ohio River crossings. How is that, Mr. Baxter?

Mr. Baxter: I do not know of any except Cairo. The statement I put in was from Group 1 to Chicago.

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Com'r Prouty: Mr. Compton's testimony, I think, shows that there was a rate 3 cents higher to Cincinnati.

Mr. Boatright: My impression was the contrary. When that 20 cents was put in, Mr. Winburn, it was without regard to any competitive territory or conditions in such territory, was it not?

1002 Mr. Winburn: I presume not.

Mr. Boatright: That was a voluntary act of the southeastern roads?

Mr. Winburn: I presume they met competition that existed or that they then saw.

Mr. Boatright: Can you state which one of the railway lines in interest took the initiative in having this increase made? Have you any information on that subject?

Mr. Winburn: I have only this recollection, which has been somewhat refreshed by the testimony already given: I remember that in December, 1902, one of our principal connections in connection with this lumber traffic, the traffic representative—was discussing the situation. He called my attention to the alarming rapidity with which our expenses were increasing and said we ought to go carefully and comprehensively through our rate tariffs as we had been through the classification and see if some of our rates are not too low. He said, I will have my office make up a list of commodities on which there are perhaps unnecessarily low rates in some instances. He showed me a list. In the list the lumber rates were included. We discussed the lumber rates as a result of

1003 that. In the month following that—January, 1903—I was in St. Augustine and another connection said to me—I mean the traffic representative—that he thought the lumber rates were too low and we ought to get them out. I agreed with him in that opinion. He said, I have some knowledge of the situation in Arkansas and I understand those lines are seriously contemplating an advance in their rates; and I beliave the Mississippi lines would like to advance their rates. It seems to me it would afford you a favorable opportunity to put up your rates. I told him I thought he was right and that I would suggest he telegraph people he knew in Arkansas and see if that was a fact. He did so and showed me a telegram either that day or the next day in which his opinion was confirmed, and as a result of those two conversations we decided to advance our rates and did eventually advance them.

Mr. Boatright: Do you think their rates would have been advanced unless they had assurance that an equal advance would be made from this territory?

Mr. Winburn: They had no assurance we would advance.

Mr. Boatright: You think theirs would have been made in any event?

Mr. Winburn: The only advice that was given or sent were

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these two telegrams I referred to—just a telegram from a
1004 southern road, asking somebody in Arkansas whether the roads there were contemplating an advance——

Mr. Boatright: Was it not one or more of the Arkansas lines that after this litigation begun temporarily at least withdrew this increase?

Mr. Winburn: I do not know as to that.

Mr. Boatright: That is all.

Mr. Ellis: Who made the first declaration to Mr. Parrott's organization?

Mr. Winburn: I do not know. We made a declaration to him merely as a formality after the tariff was introduced. He did not issue the tariff for us.

Mr. Ellis: Did you make the declaration after the action was taken?

Mr. Winburn: Yes, sir; I think I am correct in stating that.

Mr. Ellis: Nothing further.

Com'r Clements: You did not finally decide to increase your rates until after the St. Louis conference?

Mr. Winburn: There was no St. Louis conference that I know of—I believe that I am mistaken. I believe that there was
1005 one. I did not attend it or have a representative there.

Com'r Clements: Your rates were advanced at the same that all the others were?

Mr. Winburn: Yes, sir.

Com'r Clements: It has already been testified that they were not advanced till after the St. Louis conference.

Mr. Baxter: Mr. Winburn, look at the paper I hand you. I omitted to put it in evidence. File it as an exhibit to your testimony and explain what it is.

Mr. Winburn: This is a statement of gross earnings, operating expenses, net earnings, taxes, deductions of income, total net income and balance applicable to interest on income debt, for the years 1897 to 1902, inclusive.

Mr. Baxter: With reference to the Central of Georgia railway?

Mr. Winburn: The Central of Georgia railway. That is a correct statement and was prepared by my direction.

The same is annexed and marked Ex. G to Mr. Winburn's testimony.

Mr. Baxter: That is all.

The witness was excused.

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Exhibit No. 1—Mr. Winburn.

(See p. 932.)

Central of Georgia Railway Company, Accounting Department.

Lumber, of Kinds Indicated, Purchased During January and July, 1895, 1896, 1897, 1898, 1899, 1901, and 1902.

	Bridge timber. 8 x 10, 12 x 12, 7½ x 16.*			Car decking. 2 x 9 x 18'.*			Car sills. 5½ x 14 x 37½, 5 x 10½ x 31, 6 x 11½ x 37.*			Boards. 1½ and under.*			Totals.		
	Feet.	Cost.	Avg. price.	Feet.	Cost.	Avg. price.	Feet.	Cost.	Avg. price.	Feet.	Cost.	Avg. price.	Feet.	Cost.	Avg. price.
1895, January	115,309	$883 23	$7 66	75,155	$544 87	$7 25	24,309	$182 31	$7 50	8,425	$56 55	$6 72	223,198	$1,666 96	$7 47
July	106,294	868 15	8 17	81,905	609 75	7 33	58,677	494 38	8 43	18,550	83 47	4 50	265,426	2,046 75	7 71
1896, January	417,933	3,596 31	8 60	1,008	8 50	8 50	13,352	123 47	9 26	139,083	1,173 18	8 43	571,376	4,901 46	8 58
July	133,621	1,165 62	8 72	.....	.....	.....	1,025	8 50	8 70	130,392	1,134 90	8 70	265,038	2,309 02	8 71
1897, January	192,383	1,607 24	8 35	1,224	10 40	8 50	28,962	277 67	9 59	16,568	149 70	9 04	239,137	2,045 01	8 55
July	384,474	3,174 24	8 26	9,490	80 66	8 50	9,168	81 63	8 90	9,609	81 68	8 50	412,741	3,418 21	8 28
1898, January	303,704	2,520 77	8 30	100,664	861 55	8 56	52,069	477 97	9 18	59,170	494 84	8 36	515,607	4,355 13	8 45
July	269,183	2,210 60	8 21	2,160	19 36	8 50	3,339	34 03	10 19	36,123	307 04	8 50	310,805	2,571 03	8 27
1899, January	265,644	2,128 18	8 01	23,132	198 22	8 57	81,664	694 13	8 50	28,349	240 96	8 50	398,789	3,261 49	8 18
July	288,187	2,608 37	9 05	106,849	947 16	8 86	172,691	1,534 54	8 88	306,489	2,450 91	8 00	874,216	7,540 98	8 63
1901, January	280,324	2,774 85	9 90	8,750	87 50	10 00	11,770	149 58	12 71	7,451	81 96	11 00	308,295	3,093 89	10 04
July	148,301	1,835 62	12 38	29,092	369 18	12 69	.....	.....	.....	133,433	1,460 63	10 95	310,826	3,665 43	11 79
1902, January	276,913	3,529 63	12 75	16,392	184 49	11 25	4,410	44 10	10 00	107,573	1,086 67	10 10	405,288	4,844 89	11 95
July	867,698	10,456 05	12 05	29,336	343 71	11 72	75,455	850 79	11 28	173,208	1,723 83	9 95	1,145,697	13,374 38	11 67

[* In pencil in copy.]

Savannah, Ga., April 25, 1903.

W. D. BEYMER, *Auditor.*

GEORGIA, *Chatham County.*

Personally appeared W. D. Beymer, who, being duly sworn, deposes and says that he is auditor of the Central of Georgia Railway Company, and that the above is correct to the best of his knowledge and belief.

Notary Public, Chatham Co., Ga.

ING – POSSIBLE BLURRED PAGES

COPY BOUN

1005*b* **Mr. Winburn—Exhibit A.**

(See p. 939.)

Statement Showing Distances from Midville, Blakely, Macon, and Albany, Ga., to Cincinnati, O., Chicago, Ills., and Detroit, Mich.; Rates of Freight on Yellow-pine Lumber, in Cents per Hundred Pounds, and Rate per Ton per Mile on Same.

From—		To—		
		Cincinnati.	Chicago.	Detroit.
Midville	Distance	673 miles	932 miles	936 miles
	Rate	24 cents	27 cents	31 cents
	Rate ton mile	0.71 "	0.58 "	0.66 "
Blakely, Ga.	Distance	733 miles	992 miles	936 miles
	Rate	24 cents	27 cents	31 cents
	Rate ton mile	0.66 "	0.54 "	0.62 "
Macon, Ga. (on business from G. S. & F. Ry.)	Distance	562 miles	821 miles	825 miles
	Rate	18½ cents	21⅝ cents	25½ cents
	Rate ton mile	0.66 "	0.52 "	0.62 "
Albany, Ga. (on business from A. C. line).	Distance	671 miles	930 miles	934 miles
	Rate	18½ cents	21⅝ cents	25½ cents
	Rate ton mile	0.55 "	0.46 "	0.55 "

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FIL

Exhibit B—Mr. Winburn.

(See p. 945.)

Central of Georgia Railway Company, Accounting Department.

Cost of Certain Materials Purchased in 1902, *Compared with Cost at Prices Paid in* 1897.

Articles.	Purchases in 1902.			At prices paid in 1897 cost would have been.			
	Quantity.	Price.	Total cost.	Price.	Total cost.	Increase in cost.	% of increase.
Lumber	2,048,155 ft.	$11.82 M.	$236,944.11	$8.587 M.	$172,153.51	$64,790.60	37.64
Car wheels	14,888	7.34 each	109,239.67	4.96 each	74,142.24	35,097.43	47.34
Car axles	3,415	16.58 "	56,627.86	10.05 "	34,320.75	22,307.11	65.00
Steel rails	6,534 tons	32.13 ton	209,932.61	21.24 ton	138,782.16	71,150.45	51.27
Angle bars	402 "	44.24 "	17,795.06	25.65 "	10,311.30	7,483.76	72.58
Bar iron and steel	2,740,374 lbs.	.0188 lb.	51,382.86	.0157 lb.	43,023.87	8,358.99	19.43
Iron castings—gray	2,338,266 "	.0181 "	42,449.19	.0153 "	35,775.47	6,673.72	18.65
White lead	29,525 "	.0547 "	1,616.17	.0513 "	1,520.54	95.63	6.29
Turpentine	2,673 gals.	.4793 gal.	1,281.24	.2952 gal.	789.07	492.17	62.37
Linseed oil	10,299 "	.5795 "	5,968.81	.3250 "	3,347.63	2,621.18	78.32
Engine, cylinder and car oil	100,063 "	.2420 "	24,220.00	.1092 "	10,926.88	13,293.12	121.66
Cotton waste	240,428 lbs.	.0423 lb.	10,170.55	.0413 lb.	9,929.68	240.87	2.43
Portland cement	3,993 bbls.	2.14 bbl.	8,549.59	1.80 bbl.	7,187.40	1,362.19	18.95
Track spikes	882,000 lbs.	.0269 lb.	18,252.20	.0147 lb.	12,965.40	5,286.80	40.78
Car couplers	3,466	7.98 each	27,640.52	6.75 each	23,395.50	4,245.02	18.14
Brake shoes	9,600	.517 "	4,960.97	.21 "	2,016.00	2,944.97	146.08
1005*d* Manilla rope	12,180 lbs.	.1273 lb.	1,550.39	.0594	723.49	826.90	114.29
Kerosene oil	79,766 gals.	.1013 gal.	8,076.51	.0725 gal.	5,783.04	2,293.47	39.66
Shingles	2,026,050	2.918 M.	5,912.59	2.00 M.	4,052.10	1,860.49	45.91

POOR BINDING – POSSIBLE BLURRED PAGES COPY BOUND

COPY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR F

Exhibit B—Mr. Winburn—Continued.

Articles.	Purchases in 1902.			At prices paid in 1897 cost would have been.			
	Quantity.	Price.	Total cost.	Price.	Total cost.	Increase in cost.	% of increase.
Lard oil	264 gals.	.8560 gal.	225.95	.502 gal.	132.53	93.45	70.51
Bituminous coal	314,518 tons	1.2261 ton	385,625.58	.9428 ton	296,527.57	89,098.01	30.05
Pig lead	145,901 lbs.	.0438 lb.	6,406.50	.0385 lb.	5,617.19	789.31	14.05
Shovels	448 doz.	9.01 doz.	4,037.47	6.00 doz.	2,688.00	1,349.47	50.20
Coal scoops	117 "	10.86 "	1,270.60	6.50 "	760.50	510.10	67.07
Totals			1,240,137.03		896,871.37	343,266.66	38.27

W. D. BRYMER, *Auditor.*

SAVANNAH, GA., *May* 11, 1903.

File r-6983.

1005e

Exhibit "C"—Mr. Winburn.

(See p. 952.)

Statement Showing Rates of Freight, in Cents per Hundred Pounds, on Lumber, Watermelons, Cotton-seed Oil, Car-loads, and Cotton Yarns, from Albany, Ga., to Cincinnati, Ohio, and Chicago, Ill.; Distances, and Rate per Ton per Mile on Same.

To—	Lumber (proposed advance).	Watermelons.	Cotton-seed oil—car-loads.	Cotton yarns.
Cincinnati rate..	24	27.3	34	49
Distance, 669 miles.				
Rate per ton mile	0.734	0.816	1.016	1.465
Chicago rate.....	25	42.3	44	50
Distance, 928 miles.				
Rate per ton mile	0.539	0.911	0.948	1.077

1005f

Exhibit D—Mr. Winburn.

(See p. 955.)

Statement Showing Number of Cars of Lumber, Coal, and Pig Iron Transported by the Central of Georgia Railway Company During the Months of January, February, and March, 1903, Showing the Total Weight of Loads of Each Commodity in Tons, the Total Capacity of the Cars in which Transported in Tons, and the Percentage of Loads to the Carrying Capacity of the Cars.

Commodity.	Number of cars.	Total weight of loads—tons.	Total capacity of cars—tons.	Percentage of load to capacity of cars.
Lumber	1,454	35,041	45,630	76.79
Coal.....	5,081	153,487	159,641	96.15
Pig iron	494	15,305	15,808	96.82

MING – POSSIBLE BLURRED PAGES COPY BOUND VE

1005*g*

Exhibit E—Mr. Winburn.

(See p. 960.)

Car.		Standards.			Binders.			Bed pieces.			Total ft.	Quality.	Price per M.	Value.
Int.	No.	No. pcs.	Size.	No. ft.	No. pcs.	Size.	No. ft.	No. pcs.	Size.	No. ft.				
C. of G.	9246	14	4 x 4—7	128	14	1 x 4—9	42	1 1	1 x 4—8 2 x 4—8	15	185	Seconds.	$6.00	$1.11
"	8464	8	3 x 4—7	56	8	1 x 4—9	24				80	"	6.00	.48
"	9904	12	3 x 4—6.6	78	12	1 x 3—9	28				106	"	6.00	.63
"	8399	4 4	3 x 4—6.6 4 x 4—6.6	58	8	1 x 3—9	18				76	"	6.00	.45
"	8390	8	3 x 4—7	56	8	1 x 4—9	24	2	2 x 4—8	11	91	Sqr. edge.	7.00	.63
"	9444	8	3 x 4—7	56	8	1 x 4—9	24	1 1	4 x 6—8 1 x 4—8	16 5	101	Seconds.	6.00	.60
"	9173	8	4 x 4—5.6	59	8	1 x 4—9	24				83	Rotten	.00	.00
"	9473	8	3 x 4—6	48	8	1 x 4—9	24				72	"	.00	.00
"	8427	8	4 x 4—7	75	8	1 x 4—9	24				99	Seconds.	6.00	.58
C. R. & S.	533	6	4 x 4—9	78	6	1 x 4—9	18				96	Rotten	.00	.00
C. of G.	9396	8	2 x 4—8	43	8	1 x 4—9	24				67	Seconds.	6.00	.40
"	8001	8	2 x 4—8	43	8	1 x 4—9	24				67	Merchantbl.	10.00	.67
"	8498	8	4 x 4—8	85	8	1 x 4—9	24	1 1	1 x 4—9 3 x 4—8	3 8	120	Rotten	.00	.00
"	8530	6	3 x 4—7	42	6	1 x 4—9	18				60	Seconds.	6.00	.36
"	9287	8	4 x 4—6.6	69	8	1 x 4—9	24				93	Rotten	.00	.00
"	9328	11	3 x 4—6.6	71	10	1 x 4—9	30	1 1	2 x 8—8 6 x 8—8	8 27	136	Seconds.	6.00	.82
"	8039	4	3 x 4—6.6	26	4	1 x 4—9	12	2	1 x 4—8	5	43	Rotten	.00	.00
"	9159	6	4 x 4—8	64	6	1 x 4—9	18				82	Seconds	6.00	.49

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

"		9293	8	4 x 4—7	75	8	1 x 4—9	24	{ 1	1 x 4—8	5	} 116	Mchntbl.	10.00	1.16
"		9875	8	4 x 4—8	85	8	1 x 4—9	24	{ 1	2 x 4—8	12				
"		9259	8	4 x 4—8	85	8	1 x 4—9	24	2	1 x 4—8	5	122	Seconds.	6.00	.73
"		9408	8	4 x 4—7	75	8	1 x 6—9	36	....	.....	.....	169	" "	6.00	.65
"		9162	12	3 x 4—7	84	12	1 x 3—9	27	....	.....	.....	111	" "	6.00	.66
"		8385	6	3 x 4—7.6	45	6	1 x 4—9	18	..	.....	.....	111	" "	6.00	.67
"		9447	{ 1	4 x 6—8	} 112	9	1 x 4—9	27	....	.....	.....	139	" "	6.00	.39
			{ 9	4 x 4—8											
"		9307	8	4 x 4—7	75	8	1 x 4—9	24	....	.....	.....	99	Mchntbl.	10.00	1.39
"		9337	10	4 x 4—7.6	100	10	1 x 4—9	30	....	.....	.....	130	Seconds.	6.00	.58
"		9508	8	4 x 4—7	75	4	1 x 3—9	12	....	.....	.....	87	Mchntbl.	10.00	1.30
"		9395	8	4 x 4—8	85	8	1 x 6—9	36	2	4 x 4—8	21	142	Rotten	.00	.00
"		9672	8	4 x 4—8	85	8	1 x 6—9	36	1	7 x 7—8	32	153	Seconds.	6.00	.85
"		9729	8	4 x 4—8	85	8	1 x 6—9	36	1	7 x 8—8	37	158	" "	6.00	.91
"		8522	8	3 x 4—7	56	8	1 x 3—9	18	2	2 x 6—8	16	90	Rotten	.00	.95
"		9918	8	4 x 4—7	75	7	1 x 6—9	31	....	.....	.....	106	Seconds.	6.00	.00
"		9614	10	3 x 4—8	80	10	1 x 6—9	45	1	2 x 6—8	8	133	Rotten	.00	.63
"		9174	4	3 x 4—8.6	36	4	1 x 6—9	18	....	.....	.....	54	Sqr. edge.	7.00	.00
"		9315	10	3 x 4—6	60	9	1 x 4—9	27	....	.....	.....	87	Seconds.	6.00	.37
															.52
Number cars, 36.												3,670			$18.98
1005h	Fwd. from	sheet 1	36	cars.								3,670			18.98
C. of G.		8070	{ 2	3 x 6—6	18	} 7	1 x 4—9	21	4	1 x 4—8	11	98	Rotten	.00	.00
			{ 6	4 x 4—6	48										
"		9009	8	4 x 4—7	75	8	1 x 3—9	18	....	.....	.....	93	Seconds	6.00	.56
"		9948	8	4 x 4—8	85	8	1 x 4—9	24	....	.....	.....	109	Sqr. edge.	7.00	.77
"		9019	8	4 x 4—8	85	8	1 x 4—9	24	....	.....	.....	109	" "	7.00	.77
"		9869	10	3 x 4—8	80	10	1 x 4—9	30	....	.....	.....	110	Seconds	6.00	.66
"		8506	8	3 x 4—8	64	8	1 x 6—9	36	2	2 x 4—8	16	116	"	6.00	.70
S. A. L.		34486	8	4 x 4—8	85	8	1 x 6—9	36	....	.....	.....	121	Mchntbl.	10.00	1.21
C. of G.		9222	6	4 x 4—6	48	6	1 x 4—9	18	....	.....	.....	66	"	10.00	.66
"		9354	8	3 x 4—9	72	8	1 x 4—9	24	....	.....	.....	96	"	10.00	.96
"		9392	8	3 x 4—8	64	8	1 x 3—9	18	..	.....	.....	82	Sqr. edge.	7.00	.56
"		8220	4	3 x 4—8	32	4	1 x 3—9	9	2	1 x 4—8	4	45	Seconds.	6.00	.27
"		9927	8	3 x 4—7.6	60	8	1 x 4—9	24	2	2 x 4—8	11	95	"	6.00	.57
"		9760	8	3 x 4—7.6	60	8	1 x 6—9	36	2	2 x 4—8	11	107	Mchntbl.	10.00	1.07
"		8012	8	4 x 4—7.6	80	8	1 x 4—9	24	2	2 x 4—8	11	115	Seconds.	6.00	.69

COPY BOUND — POSSIBLE BLURRED PAGES

Exhibit E—Mr. Winburn—Continued.

Car.		Standards.			Binders.			Bed pieces.					
Int.	No.	No. pcs.	Size.	No. ft.	No. pcs.	Size.	No. ft.	No. pcs.	Size.	No. ft.	Total ft.	Quality.	Price per M.	Value.
C. of G.	9380	8	3 x 4—7.6	60	8	1 x 4—9	24	....	....	.....	84	Seconds	6.00	.50
"	9058	10	3 x 4—7	70	8	1 x 3—9	18	....	.....	.....	88	Sqr. edge....	7.00	.62
"	9442	10	3 x 4—7.6	75	10	1 x 3—9	33	....	.....	.....	98	" "	7.00	.69
"	9628	8	3 x 4—7.6	60	8	1 x 4—9	24	....	.....	.....	84	Seconds	6.00	.50
"	9403	12	3 x 4—7.6	72	8	1 x 3—9	18	....	....	.....	90	Mchntbl.	10.00	.90
"	9505	8	4 x 4—8	85	8	1 x 4—9	24	1	6 x 8—8	32	141	Seconds	6.00	.85
"	9724	8	4 x 4—8	85	8	1 x 4—9	24	1	6 x 8—8	32	141	" "	6.00	.85
"	8492	8	4 x 4—8	85	8	1 x 6—9	36	1	3 x 10—8	20	165	" "	6.00	.99
"	9016	6	4 x 4—9	72	6	1 x 6—9	27	...	.....	.....	99	Rotten	.00	.00
"	8439	6	3 x 4—9	54	6	1 x 6—9	27	...	....	.....	81	Seconds	6.00	.49
"	9011	8	4 x 4—8	85	8	1 x 6—9	36	..	.....	.....	121	Sqr. edge..	7.00	.85
"	9920	8	4 x 4—9	96	8	1 x 4—9	24	...	.....	....	120	Mchntble....	10.00	1.20
"	9883	8	4 x 4—9	96	8	1 x 4—9	24	...	.....	.....	120	" ...	10.00	1.20
"	9295	8	4 x 4—8	85	8	1 x 3—9	18	....	.....	.....	103	Seconds	6.00	.62
"	8469	8	4 x 4—9	96	8	1 x 6—9	36	....	.....	.....	132	Mchntbl.	10.00	1.32
"	8583	8	4 x 4—8	85	8	1 x 4—9	24	.. ..	.....	.....	109	"	10.00	1.09
"	9128	8	4 x 4—8	85	8	1 x 4—9	24	....	.....	.....	109	Seconds	6.00	.65
"	8494	8	2 x 4—7.6	40	8	1 x 3—9	18	....	.....	.....	58	Sqr. edge....	7.00	.42
"	8478	6	2 x 4—8.6	34	6	1 x 3—9	14	....	.....	.....	48	Mchntbl. ...	10.00	.48
"	9865	8	2 x 4—7.6	40	8	1 x 3—9	18	....	.....	.....	58	Sqr. edge....	7.00	.41
Number cars 70.											7,081	feet.	.....	43.06
10054 Fwd. from	sheet 2	70	cars.								7,081			43.06
C. of G.	9141	8	3 x 6—6	72	8	1 x 3—9	18	2	1 x 4—8	5	105	Mchntbl.	10.00	1.05
"	9127	8	3 x 4—7	56	8	1 x 3—9	18	....	.....	.....	74	Sqr. edge....	7.00	.43
"	8927	8	3 x 4—8	64	8	1 x 3—9	18	2	1 x 4—8	10	92	Mchntbl.	10.00	.92

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

"	9887	8	4 x 4—7	75	8	1 x 6—9	36	1	6 x 9—8	36	147	" "	7.00	1.03
"	8833	8	4 x 4—7	75	8	1 x 6—9	36	....	.....	.....	111	" "	7.00	.78
"	8885	8	4 x 4—6	80	8	1 x 6—9	36	....	.....	.....	116	" "	7.00	.81
"	8779	8	4 x 4—7	75	8	1 x 3—9	18	....	.....	.....	93	Seconds	6.00	.56
"	9854	8	4 x 4—6	64	8	1 x 3—9	18	1	3 x 8—8	16	98	"	6.00	.59
"	9361	9	2 x 4—7	42	8	1 x 4—9	24	2	7 x 9—8	84	150	Sqr. edge	7.00	1.05
G. S. & F.	1092	8	3 x 4—8	64	8	1 x 4—9	24	....	.....	.....	88	" "	7.00	.62
C. of G.	9524	8	2 x 4—7	37	8	1 x 3—9	18	1	4 x 4—8	11	66	Mchntbl.	10.00	.66
"	8006	6	2 x 4—8	32	6	1 x 3—9	14	....	.....	.....	46	"	10.00	.46
S. F. L.	1502	8	4 x 4—6	66	6	1 x 3—9	14	1	4 x 4—8	11	91	Seconds	6.00	.55
C. of G.	9068	8	4 x 4—7	75	8	1 x 6—9	36	3	2 x 3—8	12	123	Sqr. edge	7.00	.86
"	9422	14	3 x 4—7	98	12	1 x 3—9	27	....	.....	.....	125	Mchntbl.	10.00	1.25
"	9275	8	4 x 4—7	75	8	1 x 4—9	24	....	.....	.....	99	Sqr. edge	7.00	.70
"	9401	8	4 x 4—9	96	8	1 x 4—9	24	....	.....	.....	120	" "	7.00	.84
"	8342	8	4 x 4—8	85	8	1 x 4—9	24	2	1 x 4—8	5	114	Seconds	6.00	.68
"	8900	4	3 x 6—8	48	4	1 x 4—9	12	2	1 x 4—8	6	56	Sqr. edge	7.00	.39
"	8788	12	3 x 4—8	96	12	1 x 4—9	36	....	.....	.....	132	" "	7.00	.53
"	9723	12	3 x 4—7	84	12	1 x 3—9	27	2	2 x 6—8	16	127	" "	7.00	.89
"	9892	8	4 x 4—8	85	8	1 x 4—9	24	1 1 1	3 x 4—8 4 x 4—8 4 x 6—8	8 10 16	143	Rotten	.00	.00
S. C. & G.	235	8	4 x 4—6.6	69	8	1 x 4—9	24	....	.....	.....	93	Seconds	6.00	.56
S.	47140	6	3 x 4—6.6	39	6	1 x 4—9	18	2	1 x 4—8	5	62	Sqr. edge	7.00	.44
S.	48977	6	4 x 4—8	64	6	1 x 6—9	27	1 2	1 x 4—8 3 x 4—8	3 16	110	" "	7.00	.77
S.	53506	8	4 x 4—8	85	8	1 x 4—9	24	....	.....	.....	109	" "	7.00	.76
S. A. L.	42086	8	4 x 4—7.6	80	8	1 x 4—9	24	....	.....	.....	104	Seconds	6.00	.63
S.	50065	8	4 x 4—7	75	8	1 x 4—9	24	....	.....	.....	99	Sqr. edge	7.00	.70
S. A. L.	39161	12	4 x 4—7.6	120	12	1 x 4—9	36	....	.....	.....	156	" "	7.00	1.09
Total number cars 100.								Total number feet			10,200	Total value		$64.38

STATE OF GEORGIA, *Chatham County:*

Personally appeared before me, R. B. Clark, a notary public in and for said county, A. L. Saunders, who, being sworn, says that he is a lumber inspector of twenty years' experience; that he personally inspected one hundred cars loaded with lumber described in the foregoing lists, 3 pages; that to the best of his knowledge and belief the count and measurements of standards, binders, and bed pieces, and the quality and valuation, estimated at the mill, are correct as stated. The average weight per foot, board measure, he believes is four and one-half pounds.

A. L. SAUNDERS.

Sworn to and subscribed before me this 2d day of May, A. D. 1903.

[Seal of Ralph B. Clark, Notary Public, Chatham County, Ga.]

R. B. CLARK, *N. P., Chatham Co., Ga.*

FILMING – POSSIBLE BLURRED PAGES

COPY BOUN

Exhibit E—Mr. Winburn—Continued.

Car.		Standards.			Binders.			Bed pieces.						
Int.	No.	No. pcs.	Size.	No. ft.	No. pcs.	Size.	No. ft.	No. pcs.	Size.	No. ft.	Total ft.	Quality.	Price per M.	Value.
C. of G.	9380	8	3 x 4—7.6	60	8	1 x 4—9	24	....	....	.....	84	Seconds	6.00	.50
"	9058	10	3 x 4—7	70	8	1 x 3—9	18	...	.....	.....	88	Sqr. edge....	7.00	.62
"	9442	10	3 x 4—7.6	75	10	1 x 3—9	23	....	.....	.....	98	" "	7.00	.69
"	9628	8	3 x 4—7.6	60	8	1 x 4—9	24	....	.....	.....	84	Seconds	6.00	.50
"	9403	12	3 x 4—7.6	72	8	1 x 3—9	18	....	....	.....	90	Mchntbl.	10.00	.90
"	9505	8	4 x 4—8	85	8	1 x 4—9	24	1	6 x 8—8	32	141	Seconds	6.00	.85
"	9724	8	4 x 4—8	85	8	1 x 4—9	24	1	6 x 8—8	32	141	" "	6.00	.85
"	8492	8	4 x 4—8	85	8	1 x 6—9	36	1	3 x 10—8	20	165	" "	6.00	.99
"	9016	6	4 x 4—9	72	6	1 x 6—9	27	...	.....	.....	99	Rotten	.00	.00
"	8439	6	3 x 4—9	54	6	1 x 6—9	27	...	....	.....	81	Seconds	6.00	.49
"	9011	8	4 x 4—8	85	8	1 x 6—9	36	..	....	.....	121	Sqr. edge..	7.00	.85
"	9920	8	4 x 4—9	96	8	1 x 4—9	24	...	.....	....	120	Mchntble....	10.00	1.20
"	9883	8	4 x 4—9	96	8	1 x 4—9	24	...	.....	.....	120	" ...	10.00	1.20
"	9295	8	4 x 4—8	85	8	1 x 3—9	18	....	.....	.....	103	Seconds	6.00	.62
"	8469	8	4 x 4—9	96	8	1 x 6—9	36	....	.....	.....	132	Mchntbl.	10.00	1.32
"	8583	8	4 x 4—8	85	8	1 x 4—9	24	....	.....	.....	109	"	10.00	1.09
"	9128	8	4 x 4—8	85	8	1 x 4—9	24	....	.....	.....	109	Seconds	6.00	.65
"	8494	8	2 x 4—7.6	40	8	1 x 3—9	18	....	.....	.....	58	Sqr. edge....	7.00	.42
"	8478	6	2 x 4—8.6	34	6	1 x 3—9	14	....	.....	.....	48	Mchntbl.	10.00	.48
"	9665	8	2 x 4—7.6	40	8	1 x 3—9	18	....	.....	.....	58	Sqr. edge....	7.00	.41
Number cars 70.											7,081	feet.	.....	43.06
10056 Fwd. from	sheet 2	70	cars.								7,081			43.06
C. of G.	9141	8	3 x 6—6	72	8	1 x 3—9	18	2	1 x 4—8	5	95	Mchntbl.	10.00	.95
"	9427	8	2 x 4—7	37	8	1 x 3—9	18	...	.....	.....	55	Sqr. edge....	7.00	.41
"	9977	8	3 x 4—8	48	8	1 x 3—9	18	....	.....	.....	66	" "	7.00	.47

"	9887	8	4 x 4—7	75	8	1 x 6—9	36	1	6 x 8—8	48	147	" "	7.00	1.03
"	8033	8	4 x 4—7	75	8	1 x 6—9	36				110	" "	7.00	.78
"	9885	8	4 x 4—6	80	8	1 x 6—9	36				116	" "	7.00	.81
"	8779	8	4 x 4—7	75	8	1 x 3—9	18				95	Seconds	6.00	.56
"	9854	8	4 x 4—6	64	8	1 x 3—9	18	1	3 x 8—8	16	98	"	6.00	.59
"	9361	9	2 x 4—7	42	8	1 x 4—9	24	2	7 x 9—8	84	150	Sqr. edge	7.00	1.05
G. S. & F.	1092	8	3 x 4—8	64	8	1 x 4—9	24				88	" "	7.00	.62
C. of G.	9524	8	2 x 4—7	37	8	1 x 3—9	18	1	4 x 4—8	11	66	Mchntbl.	10.00	.66
"	8006	6	2 x 4—8	32	6	1 x 3—9	14				46	"	10.00	.46
S. F. L.	1502	8	4 x 4—6	66	6	1 x 3—9	14	1	4 x 4—8	11	91	Seconds	6.00	.55
C. of G.	9068	8	4 x 4—7	75	8	1 x 6—9	36	3	2 x 3—8	12	123	Sqr. edge	7.00	.86
"	9422	14	3 x 4—7	98	12	1 x 3—9	27				125	Mchntbl.	10.00	1.25
"	9275	8	4 x 4—7	75	8	1 x 4—9	24				99	Sqr. edge	7.00	.70
"	9401	8	4 x 4—9	96	8	1 x 4—9	24				120	" "	7.00	.84
"	8342	8	4 x 4—8	85	8	1 x 4—9	24	2	1 x 4—8	5	114	Seconds	6.00	.68
"	8600	4	3 x 6—8	48	4	1 x 4—9	12	2	1 x 4—8	6	56	Sqr. edge	7.00	.39
"	8788	12	3 x 4—8	96	12	1 x 4—9	36				132	" "	7.00	.53
"	9723	12	3 x 4—7	84	12	1 x 3—9	27	2	2 x 6—8	16	127	" "	7.00	.80
"	9892	8	4 x 4—8	85	8	1 x 4—9	24	1 1 1	3 x 4—8 4 x 4—8 4 x 6—8	8 10 16	143	Rotten	.00	.00
S. C. & G.	235	8	4 x 4—6.6	69	8	1 x 4—9	24				93	Seconds	6.00	.56
S.	47140	6	3 x 4—6.6	39	6	1 x 4—9	18	2	1 x 4—8	5	62	Sqr. edge	7.00	.44
S.	48977	6	4 x 4—8	64	6	1 x 6—9	27	1 2	1 x 4—8 3 x 4—8	3 16	110	" "	7.00	.77
S.	53506	8	4 x 4—8	85	8	1 x 4—9	24				109	" "	7.00	.76
S. A. L.	42086	8	4 x 4—7.6	80	8	1 x 4—9	24				104	Seconds	6.00	.63
S.	50065	8	4 x 4—7	75	8	1 x 4—9	24				99	Sqr. edge	7.00	.70
S. A. L.	39161	12	4 x 4—7.6	120	12	1 x 4—9	36				156	" "	7.00	1.09
Total number cars 100.								Total number feet			10,200	Total value		$64.38

STATE OF GEORGIA, *Chatham County:*

Personally appeared before me, R. B. Clark, a notary public in and for said county, A. L. Saunders, who, being sworn, says that he is a lumber inspector of twenty years' experience; that he personally inspected one hundred cars loaded with lumber described in the foregoing lists, 3 pages; that to the best of his knowledge and belief the count and measurements of standards, binders, and bed pieces, and the quality and valuation, estimated at the mill, are correct as stated. The average weight per foot, board measure, he believes is four and one-half pounds.

A. L. SAUNDERS.

Sworn to and subscribed before me this 2d day of May, A. D. 1903.

[Seal of Ralph B. Clark, Notary Public, Chatham County, Ga.]

R. B. CLARK, *N. P., Chatham Co., Ga.*

MING — POSSIBLE BLURRED PAGES

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1005*j* **Exhibit F—Mr. Winburn.**

(See p. 971.)

Lumber Statement of Rates from G. S. & F. Ry. Group 1 to Western Gateways.

	Louisville.	Cincinnati.	Evansville.	St. Louis.	Cairo (prop.).	Cairo (for lyd.).
I. C. C. 216—R. I. 305 June 22nd, 1903	22	24	23	24	21	17
I. C. C. 203—N. L. 369 April 7th, 1902	20	22	21	22	19	15
I. C. C. 193—N. L. 341 July 12th, 1901	20	22	21	22	19	15
I. C. C. 180—N. L. 315 Feb'y 1st, 1901	20	22	21	22	19	15
I. C. I. 156—N. L. 279 Apr. 20th, 1900	20	22	21	22	19	15
I. C. C. 147—N. L. 242 Oct. 1st, 1899(*)	20	22	21	22	19	15
Amd't to I. C. C. 136—N. L. 226 Sept 1st, 1899	19	21	20	21	18	14
I. C. C. 136—N. L. 226 Aug. 1st, 1899	18	20	19	20	17	13
I. C. C. 121—N. L. 182 Dec. 1st, 1898	18	20	19	20	17	13
I. C. C. 97—N. L. 162 June 1st, 1898	18	20	19	20	17	13
I. C. C. 94—N. L. 156 May 10th, 1898	18	20	19	20	17	13
N. L. 98 Jan'y 30th, 1897	18	20	19	20	17	13
N. L. 34 Sept. 20th, 1895	18	20	19	20	17	13
L. 307 May 28th, 1894	18	20	19	20	17	13
L. 273 July 1st, 1893	....	20	19	20	16	....
L. 258 Jan'y 1st, 1893	....	20	19	20	17	....
1892	....	....	....	....	....	....
1891	....	....	....	....	....	....
1890	....	....	....	....	....	....

Effective September 1st, 1899, the G. S. & F. railway advanced its rate one cent.

(*) Effective September 8th (*) the lines north of Macon advanced rate one cent. This advance did not go into effect until October 1st from G. S. & F.

On January 1st, 1900, the arbitraries north of the river were advanced one cent.

When the G. S. & F. advanced its rate one cent on September 1st, 1899, they took that cent into their proportion. This made the G. S. & F. rate one cent higher than the Macon to Brunswick division on the Southern railway.

PY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

Exhibit G—Mr. Winburn.

(See p. 1005.)

Central of Georgia Railway Company, Accounting Department.

Averages Per Mile Operated.

Years ended June 30.	1902.	1901.	1900.	1899.	1898.	1897.
Gross earnings	$4,201.67	$4,124.85	$3,954.38	$3,785.07	$3,614.25	$3,540.72
Operating expenses	2,998.39	2,847.85	2,597.42	2,467.65	2,253.56	2,193.61
Taxes	146.08	127.20	135.57	135.68	115.60	121.34
	3,144.47	2,975.05	2,732.99	2,603.33	2,369.16	2,314.95
Net earnings	1,057.20	1,149.80	1,221.39	1,181.74	1,245.09	1,225.77
Deductions from income:						
Interest on funded debt	902.00	928.94	998.50	1,008.59	1,008.59	1,021.78
Rentals	189.79	207.35	269.99	270.20	259.69	210.56
Miscellaneous	8.09	5.17	18.19	5.56	1.18	2.71
	1,099.88	1,141.46	1,286.68	1,284.35	1,269.46	1,235.05
Net income from operations	**42.68**	8.34	**65.29**	**1[illegible].61**	**24.37**	**9.28**
Income from other sources	109.33	111.67	150.38	141.25	72.37	221.13
Total net income	66.65	120.01	85.09	38.64	48.00	211.85
Profit and loss account:						
(Debits purple—credits red)	03	53	**08**	**14.94**	**9.62**	145.22
Balance applicable to interest on $15,000,000 income bonds	66.62	119.48	$5.17	53.58	57.62	66.63

SAVANNAH, GA., *May* 9, 1903.

W. D. BEYMER, *Auditor.*

[Figures in black type in red ink, other figures in purple ink, in copy.]

IMAGING – POSSIBLE BLURRED PAGES
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1005*l* Central of Georgia Railway Company, Office of Vice-President and Traffic Manager; W. A. Winburn, Vice-President and Traffic Manager.

SAVANNAH, GA., *November 27th*, 1903.

FREIGHT RATES.—Advance in Lumber Rates to the West.

Honorable Edw. A. Moseley, Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Enclosed I hand you three statements called for by the Commission and the complainants in the lumber freight rate case which was recently heard by the Commission in Atlanta, to-wit:

Statement showing for the month of October, 1901, 1902 and 1903, shipments of lumber in box and flat cars, separately, to Savannah;* to eastern points, all rail; to western points, south of the Ohio river; and to western points, on and north of the Ohio river.

Statement of car decking purchased by the Central of Georgia Railway Company and by Blair & Company, (to be used in the construction of cars in Central of Georgia railway shops), for the months of August, September and October, 1903.

Statement in detail of tax valuations, in Georgia and Alabama separately, returned and assessed, for the year 1903.

The statement of lumber shipments, as will be noted, was prepared by our auditor, Mr. W. D. Beymer; the statement of car decking purchased was prepared, under my direction, by Mr. R. L. Baugh, purchasing agent; the statement of tax valuations was prepared, under my direction, by Mr. R. L. Pritchard, land and in-
1005*m* dustrial agent. I believe all these statements to be true and complete.

Yours truly,

W. A. WINBURN,
Vice-President and Traffic Manager.

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* We have no movements through ports other than Savannah.

Y BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

1005*n* Central of Georgia Railway Company, Accounting Department.

Tons of Lumber for Destinations Indicated, Carried During October, 1901, 1902, *and* 1903.

Destination.	1901.		1902.		1903.	
	Kind of car.					
	Box.	Flat.	Box.	Flat.	Box.	Flat.
Savannah	232	10,271	460	12,427	736	11,724
Eastern points via all rail	1,008	62	1,901	106	2,958	441
Western points:						
South of the Ohio river	769	481	1,066	623	2,524	1,781
On and north of the Ohio river	3,110	1,856	6,496	2,873	6,263	1,854

File R-6983.

W. D. BEYMER, *Auditor.*

SAVANNAH, GA., *November* 23, 1903.

1005*o* SAVANNAH, GA., *November* 21*st*, 1903.

Statement of Car Decking Purchased by the Central of Georgia Railway Company and by Blair & Company (to be Used in the Construction of Cars in Central of Georgia Railway Shops) for the Months of August, September, and October, 1903.

Month of August, 148,321 feet; average price paid, $10.52 per M.
Month of September, 153,874 " " " " 10.30 " "
Month of October, 152,201 " " " " 10.73 " "

1005*p*

Exhibit "A."

GEORGIA.

Tax Valuation for the Year 1903.

Line of road.	Valuation as returned.	Valuation as assessed.
Columbus to Birmingham	$60,400.00	$98,392.00
Columbus to Greenville	154,085.00	264,085.00
Columbus to Americus	422,829.00	557,404.00
Cuthbert to Eufaula	261,915.00	310,315.00
Albany to Columbia	399,750.00	472,850.00
Fort Valley to Perry	53,375.00	80,325.00
Americus to Albany	377,975.00	457,375.00
Chickamauga to Durham	102,270.00	139,780.00
Chattanooga to Carrollton	1,135,360.00	1,429,798.00
Griffin to Carrollton	384,206.00	516,206.00
Macon to Athens	738,080.00	964,920.00
Eatonton to Covington	196,195.00	294,231.00
Milledgeville to Eatonton	93,780.00	139,980.00

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Milledgeville to Gordon	93,720.00	131,824.00
Barnesville to Thomaston	41,099.00	76,999.00
Dover to Statesboro	44,520.00	66,344.00
Brewton to Statesboro	269,656.00	417,342.00
Savannah to Tybee	89,910.00	128,410.00
Savannah to Atlanta	6,976,736.00	8,282,018.00
Columbus to Andalusia	45,500.00	83,580.00
Rolling stock :		
Cuthbert to Fort Gaines	16,600.00	16,600.00
Millen to Augusta	111,000.00	111,000.00
Fort Valley to Columbus	146,400.00	146,400.00
Macon to Americus, Smithville to Cuthbert	194,600.00	205,200.00
Dublin branch franchise	2,500.00	2,500.00
Outlying property Central of Georgia Ry	728,919.00	7,385.00
Outlying property Southwestern R. R.	10,700.00	
Scrap rail, Early county, Georgia	10,000.00	10,000.00
Total	13,162,081.00	15,411,263.00

1005*q*

Exhibit "B."

ALABAMA.

Tax Valuation for the Year 1903.

Line of road.	Valuation as returned.	Valuation as assessed.
Eufaula to Ozark	$437,460.64	$452,649.75
Columbia to Sellersville	402,941.25	402,941.25
South Western R. R.	42,230.00	42,230.00
Montgomery to Eufaula	1,102,532.00	1,111,032.00
Columbus to Troy	814,696.75	814,696.75
Opelika to Roanoke	338,599.32	338,599.00
Columbus to Birmingham	2,649,690.00	2,690,738.61
Troy to Andalusia	373,986.15	401,767.50
Total	6,162,136.11	6,254,654.86

1005*r*

Exhibit "C."

RECAPITULATION.

Tax Valuation for the Year 1903.

States.	Valuation as returned.	Valuation as assessed.
Georgia	13,162,081.00	15,411,263.00
Alabama	6,162,136.11	6,254,654.86

Mr. Baxter: I will ask Mr. Capps to take the stand.

PY BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FIL

1006 C. R. CAPPS,

a witness on behalf of the defendants, having been duly sworn testified as follows:

Mr. Baxter: Mr. Capps, I believe you are connected with the Seaboard Air Line Railway Company?

Mr. Capps: Yes, sir.

Mr. Baxter: In what capacity?

Mr. Capps: General freight agent.

Mr. Baxter: How long have you occupied that position?

Mr. Capps: Since July 12, 1895.

Mr. Baxter: What is the nature of your duties?

Mr. Capps: I have in charge, subject to the traffic manager, freight rate adjustments, solicitation, and the general commercial features of the road.

Mr. Baxter: How does the profitableness of the lumber traffic from Georgia points to points on north of the Ohio river passing over your system compare with the profitableness of other traffic handled by that system?

Mr. Capps: It is the least profitable business we handle from Georgia territory to Ohio river and beyond. I might safely say it is the least profitable business we handle.

1007 Mr. Baxter: Such value as it has, in what does it consist?

Mr. Capps: Its value to us is largely as interchange tonnage. Equipment conditions necessarily force us to send the bulk of our western business through Montgomery. The lines from the West terminating at Montgomery, ordinarly divide their east bound business between the Seaboard, the Coast Line and the Central. In our deliveries of west-bound tonnage this lumber is of some value in securing return tonnage of east-bound business carrying higher rates per ton per mile.

Mr. Baxter: How do your rates per ton per mile on lumber from Georgia points to Ohio River points compare with the rate per ton per mile on coal and other like commodities, weight and cost of handling considered?

Mr. Capps: They are less than on coal and similar commodities.

Mr. Baxter: What are your earnings per ton per mile on lumber from Georgia points destined to Ohio river and beyond, sent via Montgomery. If you have a statement showing that in January, February and March, 1903, please give it?

Mr. Capps: Our actual earnings per ton per mile from Georgia points through Montgomery to Ohio River points and beyond

1008 for the months named were 4.4 mills.

Mr. Baxter: Do you handle any coal and phosphate rock over your line?

MING – POSSIBLE BLURRED PAGES COPY BOUND

Mr. Capps: We do.

Mr. Baxter: Have you ascertained the numbor of tons of lumber from Georgia points to Ohio River points and beyond handled by you during the months of January, February and March 1903? If so, how many tons were there?

Mr. Capps: We handled from Georgia points to Ohio River points and beyond, in January, February and March, 1903, 5,423 tons of lumber.

Mr. Baxter: How many tons of coal did you handle during those months?

Mr. Capps: 23,109.

Mr. Baxter: How many tons of phosphate rock?

Mr. Capps: 49,481.

Mr. Baxter: Now, what is the ratio of your phosphate rock tonnage to your lumber tonnage?

Mr. Capps: It is approximately as 9 to 1.

Mr. Baxter: And your coal tonnage to your lumber tonnage?

Mr. Capps: That was approximately as 4 to 1—a little over 4 to 1.

1009 Mr. Baxter: What was the average loading of cars handled by your system during those three months on lumber from Georgia points to Ohio River points and beyond?

Mr. Capps: 21 tons.

Mr. Baxter: On coal or lumber?

Mr. Capps: On lumber.

Mr. Baxter: It was how much?

Mr. Capps: 21 tons on lumber.

Mr. Baxter: What was it on coal?

Mr. Capps: On coal it was 27 tons.

Mr. Baxter: How does the loading of phosphate rock compare with the capacity of the cars in which it is carried?

Mr. Capps: I made no statement of the actual loading of our phosphate rock cars, but it can be, and generally is, loaded to the full capacity of the cars.

Mr. Baxter: What were the earnings of your system per ton per mile during said three months on all lumber from Georgia points destined to Ohio River points and beyond?

Mr. Capps: Our average earnings by all junctions were 5.3 mills per mile.

Mr. Baxter: On coal what were they?

1010 Mr. Capps: 5.8 mills.

Mr. Baxter: On phosphate rock what were they?

Mr. Capps: 8.3 mills.

Com'r Prouty: This period to which you refer now was before the advance of 2 cents?

Mr. Capps: Yes, sir; before the advance became effective.

Mr. Baxter: How does the liability to damage in transit of lum-

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

ber compare with that of coal or phosphate rock and similar commodities?

Mr. Capps: It is greater.

Mr. Baxter: Why is that so, Mr. Capps?

Mr. Capps: Well, it is largely due to the sudden stoppages bringing two cars together suddenly and the lumber is liable to drive the end of the box car out, whereas coal, stone, pig iron and stuff of that kind is more stable in its nature.

Com'r Prouty: Do you mean it is more liable to damage the cars or the lumber?

Mr. Capps: More liable to damage the cars. Of course, in case of wreck or accident you can destroy the lumber but not the pig iron.

Com'r Prouty: You do not call the liability to damage on
1011 pig iron, phosphate rock, coal or lumber an appreciable quantity in making your rates? You never have to pay any appreciable amount for damages of that kind?

Mr. Capps: Not in damage to property. There is a great damage to the equipment.

Com'r Prouty: Well, that is a different thing.

Mr. Baxter: Of the lumber handled from Georgia points destined to Ohio River points and beyond during the months of January, February and March, 1903, what proportion in per cent. were loaded in flat cars and what in box cars on your line?

Mr. Capps: 43.4 per cent. in flat cars and 56.6 per cent. in box cars.

Mr. Baxter: Now, of the flat cars what proportion of those were carried to the loading point empty and what proportion were carried there loaded?

Mr. Capps: I will have to approximate that answer, but certainly not less than 95 per cent. were carried to the loading point empty.

Com'r Prouty: Why do you carry those cars there empty?

Mr. Capps: Because we cannot secure loads.

Com'r Prouty: Why don't you carry box cars?

1012 Mr. Capps: They demand flat cars. We furnish box cars as far as they will receive them.

Com'r Prouty: Do you carry box cars empty towards the West and North—towards the Ohio River crossings?

Mr. Capps: We do at certain periods of the year.

Com'r Prouty: Into which this lumber might be loaded if the shipper would load it into those cars?

Mr. Capps: Yes, sir.

Com'r Prouty: You haul a flat car down here empty and haul a box car back empty because the shipper will not consent to load the lumber into a box car? That is your claim?

Mr. Capps: Yes, sir.

Com'r Fifer: Cannot you control that?

Mr. Capps: We have endeavored to control that, but a good deal

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of this loading is on branch lines, tap lines, and we find it impossible to control the loading of any cars delivered by branch lines.

Com'r Fifer: You take it as it is delivered to you?

Mr. Capps: We do ordinarily. There are cases where we have to require transfers. For instance, we have a great deal of trouble with branch lines, especially on east-bound equipment. We deliver a lot of Pennsylvania cars and they will return them
1013 loaded for movement West; and west-bound equipment is loaded East and loaded to the ports. That is the greatest trouble and the greatest annoyance we have in this branch-line lumber business.

Mr. Baxter: Does lumber from interior Georgia points destined to Savannah constitute an important or unimportant part of your company's business?

Mr. Capps: It is a very important part of our business.

Mr. Baxter: Do you know how many tons of lumber your company handled from interior Georgia points to Savannah during March, 1903?

Mr. Capps: Yes, sir; I have those figures. We handled 15,183 tons.

Mr. Baxter: How does that tonnage of lumber from interior Georgia points to Savannah compare with the tonnage of your company from Georgia points destined to Ohio River points and beyond during the months of January, February and March, 1903?

Mr. Capps: Well, the tonnage to Savannah for the one month of March was practically three times as great as to the Ohio river and beyond for the three months of January, February and March.

1014 Mr. Baxter: What is the average loading of the cars which contain lumber from interior Georgia points to Savannah?

Mr. Capps: During the month of March, 1903, it was 21.7 tons.

Mr. Baxter: What was the average loading of cars containing lumber from Georgia points to Ohio river and beyond?

Mr. Capps: During the three months 21 tons.

Mr. Baxter: You mean during the three months you have above referred to?

Mr. Capps: Yes, sir.

Mr. Baxter: What are your company's average earnings per ton per mile on lumber from interior Georgia points to Savannah?

Mr. Capps: Our actual earnings during March, 1903 were 144 mills.

Mr. Baxter: On lumber from Georgia points to Ohio River points and beyond, what were the average earnings per ton per mile?

Mr. Capps: 5.3 mills.

Mr. Baxter: Is the movement of lumber from Georgia points to the East via all rail through Richmond and Portsmouth,
1015 Virginia, an important or unimportant part of your company's business?

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Mr. Capps: Well, it is an important part of our business.

Mr. Baxter: Do you meet there any kind of competition on that movement; if so, what?

Mr. Capps: We meet very strong water competition.

Mr. Baxter: Your company has a line from interior Georgia points into Savannah, has it not?

Mr. Capps: Yes, sir.

Mr. Baxter: Then, you can carry the lumber from Savannah to Richmond or Portsmouth by your rails, can you not?

Mr. Capps: Yes, sir.

Mr. Baxter: Or it can go by water?

Mr. Capps: Yes, sir.

Mr. Baxter: That is the competition to which you refer there?

Mr. Capps: Yes, sir.

Mr. Baxter: Have your rates on that movement been made in view of that water competition?

Mr. Capps: Yes, sir; we have not in all cases actually met the water competition, because we could not afford to do it.

1016 Com'r Prouty: How are your rates made from points of origin to Savannah—by the Georgia commission?

Mr. Capps: Yes, sir.

Com'r Prouty: You charge the Georgia Commission rate?

Mr. Capps: To Savannah, that is on stuff delivered locally.

Com'r Prouty: Your points of origin on that lumber are mostly in the State of Georgia?

Mr. Capps: Yes, sir. There is some movement from Florida and South Carolina.

Mr. Baxter: What are your company's earnings on lumber from Savannah to New York, Philadelphia and other eastern water points—how much per ton per mile?

Mr. Capps: 5 mills.

Mr. Baxter: On a haul of how many miles?

Mr. Capps: 519 miles.

Com'r Prouty: Are you talking about the haul from Savannah or from the point of origin?

Mr. Capps: From Savannah. Our lowest rate from a Georgia point to the East is our rate from Savannah to New York.

Com'r Prouty: You meet water competition all the way there?

1017 Mr. Capps: Yes, sir; of course that is water competition through.

Mr. Baxter: Now, on lumber from Georgia points destined to Ohio River points and beyond, what are the earnings of your company per ton per mile?

Mr. Capps: They were 5.3 mills during January, February and March.

Mr. Baxter: On an average haul of how many miles?

Mr. Capps: 241 miles.

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Com'r Prouty: You mean that is your average haul?

Mr. Capps: Yes, sir.

Com'r Prouty: When you say you make an average haul of 500 miles on New York business, that is your average haul?

Mr. Capps: Our average haul.

Com'r Prouty: What is the average haul to New York?

Mr. Capps: From Savannah to New York it is approximately about 850 miles.

Com'r Prouty: What approximately is the distance to the Ohio river, the nearest point?

Mr. Capps: About 600 miles would be our average haul on a basis of 241 miles—over that, nearer 700 miles.

Mr. Baxter: How does the profit to your company on haul-
1018 ing lumber from Savannah to Portsmouth, Virginia, a distance of 519 miles at 5 mills per ton per mile, compare with your profit on lumber hauled by your company from Georgia to Ohio River points and beyond there, your average distance being 241 miles and your rate per ton per mile 5.3 mills? Which would you rather carry?

Mr. Capps: We would rather carry the eastern lumber at 5 mills.

Com'r Prouty: Why? Because you carry it farther?

Mr. Capps: Not only the additional distance, but our train service is such that this eastern lumber is very valuable to us. We run throughout the year a perishable train from Florida and even during the busy season when we have to run it in sections which we must deliver to the Pennsylvania, 20 cars each, the last one will never be complete, and during other seasons when there is only a small movement an occasional car of oranges, we endeavor to give that one car the same service as the 20 cars, and we use this eastern all-rail lumber as a filler. It is particularly valuable to us in that way.

Mr. Baxter: How does your tonnage on stone compare with your tonnage of forest products?

1019 Mr. Capps: Well, the last fiscal year our stone tonnage ranked second and forest products first.

Mr. Baxter: How are your rates on stone as compared with the rates on lumber from Georgia points destined to Ohio River points and beyond?

Mr. Capps: They are ordinarily higher.

Mr. Baxter: Have you had any important movement of stone over your road for the United States Government?

Mr. Capps: Yes, sir; we had a movement of something over 600,000 tons for the jetties at Fernandina.

Mr. Baxter: Were the rates you made on that stone high or low rates?

Mr. Capps: Low.

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Mr. Baxter: Were they made in competition with anything, if so, what?

Mr. Capps: They were made in competition with water and with the Hudson River quarries which reach the entire Atlantic coast by water. This stone comes south at very low rates and comes down largely as ballast.

Mr. Baxter: Where did you haul that stone from to Fernandina?

Mr. Capps: Cayce, a few miles south of Columbia, S. C.

1020 Mr. Baxter: Was the stone tendered you for transportation in train-loads or car-loads?

Mr. Capps: In car-loads and in trains of 30 cars.

Mr. Baxter: Were the cars loaded to their full capacity or less than their full capacity?

Mr. Capps: They were loaded in excess of their marked capacity.

Mr. Baxter: Who did the switching on those cars?

Mr. Capps: The shippers.

Mr. Baxter: What delay, if any, was there to the cars at the jetties?

Mr. Capps: Practically no delay. The cars, when conditions permitted, were discharged immediately on arrival.

Mr. Baxter: If you have a comparison of the results of that stone movement of 600,000 tons as compared with the lumber movement from Georgia points destined to Ohio river and beyond during the months of January, February and March, 1903, I wish you would let me know what the tonnage of the stone was and the tonnage of the lumber.

Mr. Capps: During that period we handled 85,844 tons of stone and 5,423 tons of lumber.

Mr. Baxter: Let me know what the ratio of loading to

1021 marked capacity of car was.

Mr. Capps: The stone was loaded in excess of 100 per cent. of the marked capacity.

Mr. Baxter: And the lumber?

Mr. Capps: The lumber was loaded to 70.1 per cent. of the marked capacity.

Mr. Baxter: What was the average haul of the stone?

Mr. Capps: 271 miles.

Mr. Baxter: And the lumber?

Mr. Capps: 241 miles.

Mr. Baxter: Of the 251 cars of lumber from Georgia points destined to Ohio River points and beyond during said months of January, February and March, 1903, what per cent.—how many cars were consigned to railroad companies and car shops?

Mr. Capps: 155 cars, or 61.7 per cent.

Mr. Baxter: Were consigned to railroad companies?

Mr. Capps: And car shops.

Com'r Prouty: What part of that was to railroad companies?

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Mr. Capps: I could not make a distribution as between railroad companies and car shops.

1022 Com'r Prouty: Have you any idea about it?

Mr. Capps: No, sir; I have not.

Mr. Baxter: Do the specifications of your company for the construction of railroad cars specify what kind of lumber they are to be made of?

Mr. Capps: They ordinarily call for yellow pine.

Mr. Baxter: Do you know what proportion of the yellow-pine lumber moving from Georgia points to Ohio River points and beyond over your line is used or consumed by the railroad companies? Can you give any estimate?

Mr. Capps: Well, the only information I have on that point is the movement for January, February and March, which shows 61.7 per cent. consigned to railroad companies and car shops.

Com'r Prouty: All you know about that is that it was consigned to railroad companies?

Mr. Capps: Yes, sir.

Com'r Prouty: In point of fact, some lumber is consigned to railroad companies at the Ohio river to be reconsigned at the convenience of the real owner. I had some correspondence not long ago with a Cleveland company. I think a concern in Mississippi consigned all their lumber to a particular railroad company and

1023 it was reconsigned. Under your method of arriving at that conclusion that lumber would all be counted as used by the railroad company.

Mr. Capps: I have no information on that point. While I did not make up these statistics personally, I did look over the list of cars and my recollection is that the majority of these cars were consigned to points north of the river.

Mr. Baxter: Mr. Capps, have you compiled from Census Bulletin No. 203 of the 12th Census of the United States, a statement showing the records of production of white pine in Michigan, Wisconsin and Minnesota from 1873 to 1900, inclusive?

Mr. Capps: I have.

Mr. Baxter: Will you file that as an exhibit to your testimony.

(The same is hereto annexed and marked "Exhibit 'A' to Mr. Capps' testimony.")

Mr. Baxter: Have you compiled a statement showing the variation in prices of white-pine lumber at Buffalo, New York, from January, 1890, to January, 1903, inclusive?

Mr. Capps: Yes, sir.

Mr. Baxter: Will you file that as part of your testimony?

1024 Mr. Capps: Yes, sir.

(The same is hereto annexed and marked "Exhibit 'B' to Mr. Capps' testimony.")

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Mr. Baxter: On your line or system of railroad, where articles or commodities require special protection, such as bracing or standards or supports of any kind, are your freight charges assessed upon the gross weight, including the weight of the package or on the net weight?

Mr. Capps: They are assessed upon the gross weight.

Mr. Baxter: Do your tariffs making the recent advance of 2 cents per 100 pounds on lumber to Ohio River points and beyond include your rates on other lumbers as well as yellow pine?

Mr. Capps: Yes, sir; all classes of lumber.

Mr. Baxter: Has your company any unfilled orders for cars, or did your company have on April 15, 1903, any unfilled orders for cars for the shipment of lumber from Georgia points to the Ohio river and beyond?

Mr. Capps: I have gone fully into that matter and our records do not so indicate.

Com'r Prouty: Are you placing orders for cars now, or building cars?

Mr. Capps: No, sir; we did consider some addition to
1025 equipment 3 or 4 months ago, but have given it up.

Mr. Baxter. Are there any mills at Cordele, Georgia, or is that an important or unimportant shipping place for lumber now?

Mr. Capps: there is a plaining mill there, but it is not a place of any importance now. I no not understand that there is any saw-mill there.

1026 Mr. Baxter: What was the average rate per ton per mile received by the Seaboard Air Line on freight for the fiscal year ending June 30, 1903?

Mr. Capps: 1.115 cents.

Mr. Baxter: What was the average rate per ton per mile received by your company for freight for the fiscal year ending June 30, 1902?

Mr. Capps: 1.068 cent per ton per mile.

Mr. Baxter: The increase for the fiscal year of 1903 over 1902 was how much?

Mr. Capps: 4.3 per cent.

Mr. Baxter: What was the average number of tons carried per freight train mile for the year ending June 30, 1903?

Mr. Capps: 175.54.

Mr. Baxter: What was the average number of tons per freight train mile for the fiscal year ending June 30, 1902?

Mr. Capps: 175.27.

Mr. Baxter: The increase in 1903 over 1902 was how much:

Mr. Capps: It was .27 of a ton. I did not reduce that to percentage.

Mr. Baxter: Now, under normal conditions would the facts
1027 with reference to your amount received per ton per mile and

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the number of tons per freight train mile indicate a reduction of expenses of operation in proportion to gross earnings?

Mr. Capps: It should do so.

Mr. Baxter: Well, as a matter of fact was that the case?

Mr. Capps: No, sir; our operating expenses increased more than our earnings.

Mr. Baxter: What were the gross earnings of your system for the fiscal year ended ending June 30, 1903, as compared with those of the previous year?

Mr. Capps: They showed an increase of $1,088,449.96.

Mr. Baxter: What is the percentage of increase?

Mr. Capps: An increase of 9.1 per cent, or a fraction less.

Mr. Baxter: How did the operating expenses of your company for the year ending June 30, 1903, compare with the previous year?

Mr. Capps: Our operating expenses increased $1,111,296.11.

Mr. Baxter: What was the percentage of increase?

Mr. Capps: It is a fraction over 15.7 per cent.

Mr. Baxter: While your gross earnings increased 9.1 per cent. your operating expenses increased 15.7 per cent?

Mr. Capps: Yes, sir.

Mr. Baxter: How do you account for the greater increase
1028 in your operating expenses than in your gross earnings?

Mr. Capps: Numerous items added to that cost. For instance, our cost of engine service per mile run was increased from 22.32 to 26.37 cents; an increase of 4.05 cents.

Commissioner Prouty: What is that due to—to increased cost of fuel?

Mr. Capps: Yes, sir—not entirely; partly to increased cost of fuel; also increased cost of labor, and increase of practically every expense entering into locomotive operations. Our coal did actually cost us 32 cents per ton more than in the previous year.

Com'r Prouty: Where do you buy your coal?

Mr. Capps: In West Virginia, some from mines on the Chesapeake & Ohio, some from Alabama and some from Tennessee mines, and I believe at Jacksonville we buy a little water coal.

Commissioner Prouty: What does it cost you now?

Mr. Capps: I cannot say what it costs to-day.

Commissioner Prouty: File a statement of the prices of coal now as compared with the periods you have referred to.

Mr. Capps: Yes, sir. I think it has been increased since
1029 the last of July. I will file the statement.

Mr. Baxter: Mr. Capps, has the Seaboard Air Line or its predecessor been a member of the Southeastern Freight Association or any similar association continuously during recent years?

Mr. Capps: No, sir; we were not a member of any association, except one unimportant association in Virginia, for several years.

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Mr. Baxter: It has been a member of the Southeastern Freight Association at times, and is so now, is it not?

Mr. Capps: Yes, sir.

Mr. Baxter: What difference in the method of making your rates has there been when your company was a member of that association and when it was not?

Mr. Capps: Absolutely none that I can see. We attended meetings and conferences before re-entering the association, just as we do to-day. At times when it was necessary to save expense, they got out association tariffs, and we simply paid for the cost of printing the tariffs, and the only difference I can see is that we participate in the office expenses to-day, which we did not do prior to becoming a member.

1030 Mr. Baxter: A witness here—I believe Mr. Garbutt—has testified in this proceeding to facts indicating that the Seaboard Air Line accepted, or proposed to accept, on lumber from Wright, Georgia, to Mt. Vernon, Illinois, less than its published tariff rate. I wish you would explain those facts if you can.

Mr. Capps: My office seems to have been particularly unfortunate in issuing rates to Mt. Vernon, Illinois, and in the past year or two there has been hardly any time when we have not carried two rates. The 19 cents rate was first issued by the Georgia & Alabama railroad in 1900, and was filed with the Commission. Afterwards, when we took charge of the Georgia & Alabama road, the records were not complete and in reissuing some of the lumber rates we had no information of this 19 cents rate to Mt. Vernon, Illinois, and a rate was issued by us at 22 cents, and it did not specifically cancel the 19 cents tariff because we had no information of that tariff. Later, when our attention was called to it, the 22 cents rate was withdrawn, and the 19 cents rate restored. As to the rate from Wright, Georgia, we are not the initial line there, and we have never undertaken to file any rates from Wright with the Commission.

1031 Our agreement with the Fitzgerald, Ocmulgee & Red Bluff railway calls for the application of the same rate from Wright as from our main line points. Queensland is the junction point with that line. The rate from Queensland was 19 cents and so published, and in accordance with our agreement with the Fitzgerald, Ocmulgee & Red Bluff road, we issued a billing order providing for the application of the same rates from Wright as from Queensland. We assumed that the initial line would attend to the issuance and filing of the tariff with the Commission.

Commissioner Prouty: Can you say, or do you understand that any tariff was filed from Wright?

Mr. Capps: I cannot say, sir. I have no information of that. I have not seen any.

Mr. Baxter: Then, such confusion as I understand as arose in regard to the rate from Wright, Ga., to Mt. Vernon, Ill., was due to

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the Seaboard Air Line taking charge of the Georgia & Alabama railroad, and tariffs were made that you were not aware of?

Mr. Capps: As to our own line there was confusion as to rates from Wright—confusion as to instructions to agents of our
1032 own line. We have not undertaken at any time to furnish the Commission with rates from Wright.

Mr. Baxter: Was there any intention on your part to accept, or propose to accept, less rates from Wright, Ga., to Mt. Vernon, Ill., than were shown, or which should have been shown by tariffs on file?

Mr. Capps: No, sir. The 19 cents rate was made by the Georgia & Alabama road in L. C. C. 57.

Mr. Baxter: What is the distance from Wright, Ga., to Cairo, Ill.?

Mr. Capps: 671 miles.

Mr. Baxter: What is the rate per hundred pounds on lumber from Wright, Ga., to Cairo?

Mr. Capps: The rate to Cairo for beyond—which is the rate you probably have in mind—is 17 cents.

Mr. Baxter: That is the present rate?

Mr. Capps: Yes, sir.

Mr. Baxter: What is the distance from Laurel, Miss., to Cairo?

Mr. Capps: 413 miles.

Mr. Baxter: What is the present rate from Laurel, Miss., to Cairo, for beyond?

Mr. Capps: I understand that is 16 cents.

1033 Mr. Baxter: What is the distance from Texarkana to Cairo?

Mr. Capps: 397 miles.

Mr. Baxter: What is the present rate from Texarkana to Cairo for beyond?

Mr. Capps: I understand that to be 16 cents.

Mr. Baxter: What is the rate per ton per mile to Cairo, for beyond, from Wright, Ga.?

Mr. Capps: Five mills.

Mr. Baxter: What is it from Laurel, Miss.?

Mr. Capps: Seven and seven-tenths mills.

Mr. Baxter: What is it from Texarkana?

Mr. Capps: Eight mills.

Com'r Prouty: Can you tell me what your distance is from Wright, Ga., to Cincinnati?

Mr. Capps: No, sir; I haven't that.

Cross-examination.

Mr. Boatright: I wish on behalf of the complainants in this case to disclaim any intention of charging either Mr. Capps or the Seaboard Air Line with any intentional wrong in connection with that

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rate from Wright. I am personally familiar with that situ-
1034 ation when it existed, as I was engaged in the railroad business and had correspondence with Mr. Capps and I understand there was no wrong intention whatever. It was made of a combination of locals making less than the Cairo combination. That is how it originally came about, I think. I desired to say that there was no intention of charging anybody with any wrongdoing.

Com'r Prouty: I do not think it was understood.

Mr. Boatright: I was not sure.

Mr. Baxter: When the fact was brought out here there was a laugh went around on that side of the court room, which indicated to me that they thought there was some crookedness, and I wanted it to be understood how it came about.

Mr. Boatright: Mr. Capps, you stated in the course of your direct examination that the western lumber especially was chiefly valuable as an interchange tonnage with the lines at Montgomery. Does that not make it very profitable at the rates you have heretofore been handling it on?

Mr. Capps: Not of itself.

Mr. Boatright: All of your figures are based on the old rates; that is, on the rates in effect prior to this increase?

Mr. Capps: That is, where they were given for January, February and March.

1035 Mr. Boatright: Does the movement of coal and pig iron on your line compare in regularity to the disadvantage of lumber—in regard to constancy and regularity of movement?

Mr. Capps: I do not understand the latter part of your question as to "disadvantage of lumber."

Mr. Boatright: It is more to be depended upon as a source of revenue, is it not?

Mr. Capps: There is considerable coal. In regard to pig iron, we are not at this time a pig-iron carrying line. We do not reach the Birmingham district and have no connections from whom we get any support there. We do handle some little.

Mr. Boatright: Does the rate of 4.4 mills per ton per mile cover all the Georgia lumber handled, or just that which moves to the West via Montgomery?

Mr. Capps: The Georgia lumber handled to the West via Montgomery to the Ohio river and beyond.

Mr. Boatright: And not the coast shipments, or eastern shipments?

Mr. Capps: No, sir.

Mr. Boatright: Were the rates from North Carolina territory increased at the same time as the rates to the West—increased to correspond with rates to the West.

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1036 Mr. Capps: There are no rates from North Carolina territory to the West on lumber that I know of.

Mr. Boatright: I mean to points in Pittsburg and Buffalo territory. Were those rates increased?

Mr. Capps: They could not well be increased. They are already made on combination.

Mr. Boatright: Is it not a fact that the North Carolina product moving through the eastern gateways comes in competition with Georgia lumber moving through Cincinnati to that same territory?

Mr. Capps: To Buffalo territory, do you mean?

Mr. Boatright: To Buffalo and Pittsburg territory.

Mr. Capps: Yes, sir.

Mr. Boatright: Does that not then place the Georgia shipper at a serious disadvantage compared with the North Carolina shipper in so far as there is competition between their products?

Mr. Capps: I think not.

Mr. Boatright: And would not the Georgia shipper be at 2 cents per hundred pounds disadvantage?

Mr. Capps: The conditions in the Carolinas are not similar to those in Georgia. Our timber in the Carolinas has been cut

1037 back for thirty miles or more, and those side lines in the Carolinas all carry arbitraries in addition to the rate from the junction point. The rate from the shipping point is really higher than it appears to be from the tariff.

Mr. Boatright: That is, the rates are not published from the point from which the lumber actually moves?

Mr. Capps: On some lines. But some of those lines are not common carriers and we do not publish any through rates.

Mr. Boatright: You stated that a very large percentage of the flat cars in which lumber is handled move South empty. Would not the same condition obtain in regard to box cars themselves northbound if it were not for this Georgia lumber? They would move empty north-bound?

Mr. Capps: Not to the same extent. We have some western loading outside of lumber.

Mr. Boatright: Not anything that is handled throughout the entire year?

Mr. Capps: Not to the same extent.

Mr. Boatright: But does that fact not fairly offset the empty movement of flats South?

Mr. Capps: I think not.

Mr. Boatright: How about the stone movement mentioned? On what kind of cars is that handled?

1038 Mr. Capps: That moves, in the case of the movement I mentioned in my direct testimony, on flat cars.

Mr. Boatright: Was the movement you referred to just a special

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movement, or is it something that is reasonably regular from one year to another?

Mr. Capps: That was a special movement, but it covered a period of three years.

Mr. Boatright: During that period you were able to load those flat cars South and back with lumber?

Mr. Capps: No, sir; we did not use those cars for lumber loading. We assigned certain cars for that service in full trains, and they were brought back in full trains.

Mr. Boatright: And that was for the benefit of your own business, was it not?

Mr. Capps: Yes, sir.

Commissioner Prouty: Did those cars move from eastern points or from western points?

Mr. Capps: From an intermediate point on our own line—from Columbia, South Carolina.

Com'r Prouty: Those cars did not move from Ohio River crossings and could not have been loaded back?

Mr. Capps: No, sir.

1039 Mr. Boatright: Does not a considerable proportion of the lumber for Buffalo and Pittsburg go through Portsmouth and the Virginia gateways?

Mr. Capps: We move all our Buffalo-Pittsburg lumber through the eastern gateways because of the longer haul obtained.

Mr. Boatright: Could not those cars referred to have been used for that purpose?

Mr. Capps: No, sir; because those cars were destined South over our line to Savannah and Fernandina. We have no mills in that territory shipping to the West.

Mr. Boatright: You gave your rate per ton per mile on business from Savannah to the East as five mills. What proportion in cents does your line receive up to Portsmouth?

Mr. Capps: Either 13 or 14 cents on Savannah—13 cents I think of the Savannah-New York rate.

Mr. Boatright: In billing from interior points to these eastern points through Savannah, how is the rate made up—of the local to Savannah plus the rate from there?

Mr. Capps: Savannah and all-rail do you mean?

Mr. Boatright: Yes, sir.

Mr. Capps: No, sir.

1040 Mr. Boatright: How is that rate made up?

Mr. Capps: Our rates are made on a different basis. Taking into consideration water competition we earn less money up to Portsmouth on lumber from interior Georgia points to New York and Philadelphia than we would earn on the rate to Harrisburg, because when we get to Harrisburg we are farther away from water competition, and as we go West farther our earnings increase.

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Mr. Boatright: If you move lumber from Savannah proper to New York, the present rates would give you five mills per ton per mile?

Mr. Capps: Yes, sir.

Mr. Boatright: If that car moved from a local point on the Georgia & Alabama division through Savannah, destined to New York, would your proportion be increased or decreased?

Mr. Capps: In the case of some shipping stations it would be materially increased, on other stations decreased, depending on the distance we carry it. When we get west of Savannah we carry a blanket rate from all our Georgia stations to New York, and the rate per ton per mile would fall with the increase in distance, and if we go as far west as Cordele we would probably get less
1041 per ton per mile than we get on Savannah proper shipments.

Mr. Boatright: From those interior points how is the rate made? Is it first divided on Savannah and then on Portsmouth, or is there an arbitrary or percentage from the initial point through to Portsmouth?

Mr. Capps: The Pennsylvania railroad has an arbitrary on those shipments North. We pay that arbitrary and take what is left.

Mr. Boatright: Lumber shippers are required to furnish equipment and appliances necessary to make their shipments entirely safe in shipment. Is there any other class of shippers upon whom this burden of equipping falls as heavily as on the lumbermen, everything considered? That is, such a reasonably continuous business as that?

Mr. Capps: Well, I do not know that there is any other class of business that moves in flat cars as continuously as lumber. That is not a fair question.

Mr. Boatright: Take it in the abstract, car by car; is there any other class of shippers so heavily burdened?

Mr. Capps: I have seen machinery loaded in such a way that it might have cost $20.00 to $25.00 a car; but that is not a frequent occurrence.

1042 Mr. Boatright: It is not likely that a shipper would load more than one such car a day, is it?

Mr. Capps: Hardly.

Mr. Boatright: Now, in regard to loading lumber in box cars, is it practicable to load lumber over 18 feet in length in box cars?

Mr. Capps: I think so, in end-door cars.

Mr. Boatright: Is not most of this lumber that goes to railroads and car factories of such lengths that it would be impossible to load it in box cars?

Mr. Capps: I do not say it is impracticable to load anything in box cars with end doors unless it is in excess of the inside length of

the car. It will cost more money to do it, but it is practicable to put in a 34-foot car lumber measuring up to 32 feet.

Com'r Prouty: Are most of your box cars provided with end doors?

Mr. Capps: Yes, sir.

Mr. Boatright: Mr. Capps, are the majority of your box cars so equipped that they can be loaded through an end door? In fact are not the end doors grated and barred so it would be impossible to load from the end without damage to the car?

1043 Mr. Capps: I think ours are not. I think where we have grating on the end doors that the grating works in a slide.

Com'r Prouty: What is the end door put there for?

Mr. Capps: In our cars it is put there largely for the purpose of loading lumber.

Com'r Prouty: For what purpose is it put there in these other cars?

Mr. Capps: In some cars an end door is put in largely for the purposes of ventilation.

Com'r Prouty: About how large are these end doors?

Mr. Capps: They vary. I suppose an average end door would be probably 18 inches.

Com'r Prouty: Whereabouts is it located?

Mr. Capps: At the end of the car.

Com'r Prouty: I mean with reference to the top of the car?

Mr. Capps: Near the top.

Mr. Boatright: Is not the location of that end door almost as variable as the lines owning the cars? Is it not located about the center in many of them, so that it would be impracticable to load the car more than half way?

1044 Mr. Capps: It may be in the center of some of them. I cannot say to what extent it is.

Com'r Prouty: As a matter of fact, are box cars loaded with lumber through this end door?

Mr. Capps: Yes, sir; in some cases, and it could be loaded in a good many other cases. We cannot get the shippers to load through the end doors when they could; but our cars are equipped with end doors for the purpose of loading lumber.

Com'r Prouty: I never saw lumber loaded through an end door and I simply wanted to know if the end door was used down here for that purpose.

Mr. Capps: They were put there for the purpose of lumber loading.

Mr. Boatright: Do you encourage the loading of your own equipment to this western territory via Montgomery?

Mr. Capps: No, sir.

Mr. Boatright: You do not want those cars loaded there?

Mr. Capps: There are other end-door cars coming in there. I

might say in that connection there is no embargo on loading our box cars West. We do not load our flats West.

1045 Mr. Boatright: If a box car should be loaded with long timbers through the end door, do you think it would be satisfactory to the consignee? Do you think he would give such a shipper another order if he could place it elsewhere?

Mr. Capps: Probably not with long timbers, but with long boards.

Mr. Boatright: Are flat cars loaded with boards as a rule if box cars can be obtained?

Mr. Capps: Yes, sir.

Mr. Boatright: That is, for long-distance western shipments, or do any boards move West that could go on a flat car without damage to the lumber?

Mr. Capps: Car decking and all that, it can all go in box cars.

Com'r Prouty: How long do you cut your boards in this territory down here—any specified length?

Mr. Boatright: They call them even sizes I believe—12, 14 and 16 feet. As I understand, Mr. Capps, from points on your line where lumber is produced it takes a rate of one cent higher than Southern Railway Group 1.

Mr. Capps: Yes, sir.

1046 Mr. Boatright: Are there any groupings on your system outside of that?

Mr. Capps: No, sir.

Mr. Boatright: Is it all included in one group?

Mr. Capps: Yes, sir.

Mr. Boatright: And that is one cent higher than Southern Railway Group 1?

Mr. Capps: Yes, sir.

Mr. Boatright: That is all.

Mr. Baxter: No further questions.

Witness excused.

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1046a

Exhibit A—Mr. Capps.

(See p. 1023.)

Census Bulletin No. 203, twelfth census of the United States, gives the following as the cut of white pine in feet, board measure, in the States of Michigan, Wisconsin and Minnesota, the three important white-pine States, from 1873 to 1900, as follows:

1873	3,993,780,000
1874	3,751,306,000
1875	3,968,553,000
1876	3,879,046,000
1877	3,595,333,000
1878	3,629,473,000
1879	4,806,493,000
1880	5,651,295,000
1881	6,768,857,000
1882	7,552,150,000
1883	7,624,790,000
1884	7,935,033,000
1885	7,053,095,000
1886	7,425,368,000
1887	7,757,917,000
1888	8,254,291,000
1889	8,183,048,000
1890	8,597,623,000
1891	7,879,948,000
1892	8,594,223,000
1893	7,326,264,000
1894	6,821,516,000
1895	7,050,669,000
1896	5,725,763,000
1897	6,233,454,000
1898	6,155,300,000
1899	6,056,508,000
1900	5,419,333,000

It estimated the available supply of white pine in the entire United States at fifty billion feet, as against an available yellow-pine supply of three hundred billion feet in the Southern States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas and Arkansas.

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1046*b*

Exhibit B.

(See p. 1024.)

Comparative Statement of Variation in Prices of White-pine Lumber at Buffalo, N. Y., from January, 1890, to January, 1903, Inclusive, as Prepared by Buffalo Lumber Exchange.

	Uppers, per M feet.	Culls, per M feet.
1890—January	$41.00	$12.5
July	43.00	12.5
1891—January	43.00	12.5
July	43.00	12.0
1892—January	44.00	12.0
July	46.00	12.5
1893—January	48.00	13.0
July	48.00	13.5
1894—January	47.00	13.5
July	45.00	13.0
1895—January	45.00	12.0
July	45.00	11.0
1896—January	44.00	11.0
July	44.00	11.0
1897—January	45.00	11.0
July	45.00	10.0
1898—January	45.00	10.0
July	45.00	11.0
1899—January	46.00	12.0
July	51.00	14.0
1900—January	57.50	19.0
July	57.50	17.0
1901—January	58.00	16.5
July	60.00	16.5
1902—January	68.00	16.0
July	73.00	16.0
1903—January	80.00	16.5

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1046c Seaboard Air Line Railway.

(In Savannah, Ga.)

PORTSMOUTH, VA., *November* 30, 1903.

File 25671-A.

Case of H. H. TIFT ET AL.
vs.
SOUTHERN RAILWAY ET AL.

Mr. E. A. Moseley, Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: In the hearing of the above case in Atlanta, I was asked by Commissioner Prouty to file as a part of my testimony first, the average cost of coal since July 1st, 1903, my testimony having given the actual cost during the fiscal years ending June 30th, 1902. Second, a comparative statement of the movement of lumber from Georgia points via the Seaboard Air Line railway, to Ohio River points and beyond for October, 1901, 1902 and 1903.

I beg to attach statements, being marked respectively Exhibits K and L.

In connection with statement of lumber movement, I think it proper to explain that the movement by all lines enjoying competition is very irregular, the movement depending partly on our ability to furnish equipment and partly upon our ability to meet the divisions offered by our competitors. For instance, it will be noted that we handled from connections at Fitzgerald 26 cars in October, 1902, while we handled no cars in October, 1903. In Oc-
1046d tober, 1903, we were not in position to furnish any equipment for western loading, or for that matter very little equipment for loading to any of our connections at Fitzgerald.

Yours truly,

CHAS. R. CAPPS,
General Freight Agent.

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1046*e* **Exhibit L—Chas. R. Capps' Exhibit.**

Before Interstate Commerce Commission.

H. H. TIFT ET AL.
vs.
SOUTHERN RAILWAY ET AL.

Comparative Tonnage, Revenue., etc., of the Seaboard Air Line Railway on Lumber from Georgia Points to Ohio River Points and Beyond, During October, 1901, 1902, and 1903.

Number of Cars Moved from Each Station or Received from Connecting Lines.

	1901.	1902.	1903.
Kramer, Ga.	14	Note 1.	.....
Rochelle, Ga.	1	5	.....
Pitts, Ga.	.....	2	.....
Via Pitts, Ga.	17	5	17
Via Penia, Ga.	5	Note 1.	.....
Coney, Ga.	5	.....	.....
Cordele, Ga.	2	.....	.....
Via Cordele, Ga.	6	.....	4
Rhine, Ga.	7	1	4
Queensland and Wright, Ga.	6	15	12
Fitzgerald, Ga.	1	.....	.....
Via Fitzgerald, Ga.	13	26	.....
Ocilla, Ga.	4	7	6
Via Ocilla, Ga.	3	.....	6
Geothe's Spur, Ga.	1	Note 1.	.....
Collins, Ga.	.....	2	.....
Via Collins, Ga.	1	2	.....
Alamo, Ga.	.....	.....	2
Wallings, Ga.	2	Note 1.	.....
Stacers, Ga.	2	Note 1.	.....
Vidalia, Ga.	19	Note 2.	.....
Higgston, Ga.	8	19	6
Milan, Ga.	1	1	.....
Abbeville, Ga.	5	.....	.....
Pembroke, Ga.	.....	4	1
Groveland, Ga.	.....	2	.....
1046*f* Aults, Ga.	.....	2	.....
Cortez, Ga.	.....	1	Note 1.
Helena, Ga.	.....	2	.....
Huntingdon, Ga.	.....	1	Note 1.
Cleggs, Ga.	.....	.....	3
Total	123	98	61

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NOTE 1.—Saw-mill operations at these points abandoned, consequently no movement.

NOTE 2.—Vidalia became a competitive point before October, 1902 and there may have been movements West via the M. D. & S. railway in October, 1902, and October, 1903.

Analysis of Tonnage, Revenue, etc., for October, 1901, 1902, *and* 1903.

	1901.	1902.	1903.
Total cars hauled	123	98	61
Total tons hauled	2,502	2,429	1,281
Total capacity of cars (in tons)	3,642	3,050	1,860
Average lading per car (in tons)	20.3	24.8	21
Average capacity of car (in tons)	29.6	31.1	30.5
Average per cent. of lading to capacity of car	68.6%	79.7%	68.9%
Average miles per car	218	255	444
Average revenue per ton	$1.18	$1.25	$2.41
Average revenue per ton mile (in mills)	5.4	4.9	5.4
Percentage of flats used	50.4%	46.9%	37.7%
Percentage of boxes used	49.6%	53.1%	62.3%
Number of cars consigned to car shops and railroads	93	64	39
Number of cars consigned other parties	30	34	22
Percentage of cars consigned to car shops and railroads	75.6%	65.3%	63.9%
Percentage of cars consigned to other parties	24.4%	34.7%	36.1%

Respectfully submitted,

CHAS. R. CAPPS,
General Freight Agent, Seaboard Air Line Railway.

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1046*g* **Exhibit K—Chas. R. Capps' Exhibit.**

Before Interstate Commerce Commission.

H. H. TIFT ET AL.
vs.
SOUTHERN RAILWAY ET AL.

According to information obtained from the 1st vice-president & general manager of the company, the average cost of fuel coal to the Seaboard Air Line railway for the period from July 1st to October 1st, 1903, is $2.51 per ton.

Respectfully submitted, CHAS. R. CAPPS,
General Freight Agent, Seaboard Air Line Railway.

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1047 J. M. CUTLER,

a witness called on behalf of defendants, having been duly sworn, testified as follows:

Mr. Baxter: Mr. Cutler, what connection have you with the Georgia Southern & Florida Railroad Company?

Mr. Cutler: I am general freight agent.

Mr. Baxter: How long have you been such?

Mr. Cutler: Seven years.

Commissioner Prouty: Excuse me, Judge Baxter, I want to ask Mr. Capps—Mr. Capps, could you file a statement showing the movement west over your line for the month of October, 1901, 1902, and this present October,—1903,—after the month closes. I want you just to show the number of cars that moved west over your lines.

Mr. Capps: I will do that just as far as I can. I do not know whether we have our records still for 1901.

Mr. Baxter resumed the examination of Mr. Cutler.

Mr. Baxter: Mr. Cutler, to what do your duties chiefly relate?

Mr. Cutler: I have charge of freight rates and the solicitation of freight business.

1048 Mr. Baxter: you have charge of the making of freight rates on your line?

Mr. Cutler: Yes, sir.

Mr. Baxter: Speaking with reference to shipments of lumber to the Ohio river and points beyond, what percentage of that carried by your road moves on flat cars?

Mr. Cutler: 61½ per cent. I will explain that that is taken from the actual movement for the month of March, 1903, which we believe to be an average shipping month.

Mr. Baxter: What percentage of the flat cars used on your road for the shipment of lumber to Ohio River points and beyond are hauled south bound empty?

Mr. Cutler: Between 97 and 100 per cent.

Mr. Baxter: What percentage of the lumber which moves over your road to Ohio River points and beyond is consigned to car manufacturers and to railroad companies?

Mr. Cutler: 81.2 per cent.

Mr. Baxter: Of the total movement to that territory?

Mr. Cutler: Yes, sir.

Com'r Prouty: Do you know what per cent. of that was consigned to railroad companies?

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Mr. Cutler: I figured it in this way: The percentage of
1049 the total movement consigned to car manufacturers and railroad companies together; they are not separated, but I will be glad to separate them if you so wish.

Com'r Prouty: What part of that movement was consigned to points north of the Ohio river? Can you tell that?

Mr. Cutler: That movement includes points on the Ohio river and beyond. I can give that separately by figuring it.

Com'r Prouty: It is not worth while to spend any time separating it.

Mr. Baxter: If you have occasion to investigate the matter, what does it cost per car to equip a flat car with standards and strips, including cost of labor and nails?

Mr. Cutler: I have investigated the matter, and I believe that $1.40 is, you might say, the maximum.

Com'r Prouty: That would include the bearing pieces on the car?

Mr. Cutler: That refers to a single car, and as a rule no bearing pieces are used on a single car, as I understand.

Com'r Prouty: Suppose the bearing pieces were included, what would be the cost?

Mr. Cutler: I have the figures here. Do I correctly un-
1050 derstand that by bearing pieces you refer to supports?

Com'r Prouty: I understand that when long timbers are loaded on a car the rules require one or two bearing pieces on the bottom of the car on which the lumber is loaded.

Mr. Cutler: Supports; the rules call for a piece of timber 10 x 10 and usually 9 feet long. That would contain 75 feet.

Com'r Prouty: Would there be one or two pieces on a car?

Mr. Cutler: Two pieces on two cars; one on each of the two cars used.

Com'r Prouty: There would be a single piece on a car?

Mr. Cutler: Yes, sir.

Com'r Prouty: In point of fact, of the flat cars which go to the Ohio River crossings how many of them are loaded with long timbers which could not be loaded on a single car?

Mr. Cutler: I think, so far as the Georgia Southern & Florida is concerned, the percentage of lapped shipments is small. Out of about 700 flat cars, including gondolas moving in March, 1903—out of an actual movement of 686 shipments there were 56 lapped shipments.

Mr. Baxter: Have you prepared a statement showing the
1051 Georgia Southern & Florida Railway Company earnings, operating expenses, net earnings, fixed charges and surplus, total and per mile of road for the fiscal years 1898, 1899, 1900, 1901 and 1902?

Mr. Cutler: Yes, sir.

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Mr. Baxter: Will you file that statement as Exhibit "A" to your testimony?

Mr. Cutler: Yes, sir.

(The same is hereto attached and marked Exhibit "A"—J. M. Cutler.)

Mr. Baxter: How do the gross earnings for the year 1901–1902 compare with those for the year 1897–1898?

Mr. Cutler: The gross earnings for 1901–1902 were——

Mr. Baxter: Just give me the per cent. The Commission will have the statement before it.

Mr. Cutler: An increase of 31.7 per cent. over 1897–1898.

Mr. Baxter: Now, give the net earnings for the year 1901–1902 as compared with those for 1897–1898. Was there an increase or decrease?

Mr. Cutler: A decrease.

Mr. Baxter: How do the operating expenses and taxes for
1052 the year 1901–1902 compare with those for 1897–1898?

Mr. Cutler: They were 46 per cent. in excess.

Mr. Baxter: Have you prepared a statement showing the capacity of the saw-mills located on the line of the Georgia Southern & Florida railroad for the years 1891 to 1903, inclusive, showing the capacity per day of those mills?

Mr. Cutler: Yes, sir.

Mr. Baxter: Will you file that as Exhibit "B" to your testimony?

Mr. Cutler: Yes, sir.

(Statement referred to is hereto attached and marked Exhibit "B"—J. M. Cutler.)

Mr. Cutler: In filing it I will add that a very few of those mills are located not directly on, but very near to the line; within two or three miles.

Mr. Baxter: If I understand this Exhibit B, the capacity of the mills located on the line of your road in 1891 amounted to 869,000 feet every day?

Mr. Cutler: Saw feet; yes, sir.

Mr. Baxter: What do you mean by that—"saw feet"?

1053 Mr. Cutler: I mean that was not the planed or finished lumber; that was sawed lumber merely.

Mr. Baxter: That represents the number of feet of lumber that the mills located on the line of your road could cut per day?

Mr. Cutler: Yes, sir.

Mr. Baxter: Now give what the capacity of the mills on your line was in 1903.

Mr. Cutler: 1,142,500 feet.

Mr. Baxter: Saw feet?

Mr. Cutler: Yes, sir.

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Com'r Prouty: Let me ask a question about this statement which you have filed as your Exhibit "A." You show here at the conclusion of the statement "income" for each of the years named. What do you mean by "income?"—what is left after the payment of your fixed charges? Is that what you mean?

Mr. Cutler: Judge, I cannot properly answer that question, as I am not sufficiently informed about that. I simply got this statement from our auditor giving these items.

1054 Mr. Baxter: The advance of 1 cent per hundred pounds from Georgia points to points on and north of the Ohio river, made in January, 1902, did your road get any portion of that advance?

Mr. Cutler: Yes, sir.

Mr. Baxter: I mean in January, 1900?

Mr. Cutler: January, 1900?

Mr. Baxter: Yes, sir.

Mr. Cutler: No, sir.

Mr. Baxter: That went exclusively to the roads north of the river, did it not?

Mr. Cutler: Yes, sir.

Mr. Baxter: Mr. Cutler, I wish you would state the distance from Cairo, Illinois, via the Illinois Central railroad to Jackson, Mississippi.

Mr. Cutler: From Cairo, Ill., by the Illinois Central to Jackson, Miss., is 365 miles.

Mr. Baxter: That is from Cairo to Jackson.

Mr. Cutler: My memorandum reads from Jackson to Cairo.

Mr. Baxter: Well, it is the same thing.

Mr. Cutler: Yes, sir.

1055 Mr. Baxter: Now, from Jackson, Miss., to Gulfport, Miss., the southern terminus of the Gulf & Ship Island railroad, what is the distance?

Mr. Cutler: 160 miles.

Mr. Baxter: Now, when lumber originates on the line of the Georgia Southern & Florida railway, destined for Ohio River points and beyond, if it moves through Cairo, what route would it naturally move by?

Mr. Cutler: Naturally the short line.

Mr. Baxter: What would that be?

Mr. Cutler: From Macon via the Southern railway to Atlanta, thence via the Western & Atlantic to Chattanooga, thence via the Nashville, Chattanooga & St. Louis through Nashville to Martin, Tenn.

Mr. Baxter: Is Martin a point on the Illinois Central?

Mr. Cutler: Yes, sir.

Mr. Baxter: Thence from Martin to Cairo over the Illinois Central?

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Mr. Cutler: Yes, sir.

Mr. Baxter: What is the distance from Cairo to Macon by the route you have just described?

Mr. Cutler: 577 miles.

1056 Mr. Baxter: What did you say the distance from Cairo to Jackson was?

Mr. Cutler: 365 miles.

Mr. Baxter: Is there any lumber produced in Georgia north of Macon, any substantial amount?

Mr. Cutler: No, sir; not that I am aware of.

Mr. Baxter: Macon, then, is the lumber gateway for southeastern Georgia, is it?

Mr. Cutler: I should say yes.

Mr. Baxter: Is there any lumber produced in Mississippi north of Jackson?

Mr. Cutler: I am not personally acquainted with the situation there. I understand not.

Mr. Baxter: Jackson would be the natural gateway for the lumber of southern Mississippi, would it not?

Mr. Cutler: Yes, sir.

Mr. Baxter: Now, what is Group 1, of the Georgia Southern & Florida railway. Between what points does that extend—I mean from what city.

Mr. Cutler: From Macon to Valdosta, including Valdosta.

Mr. Baxter: What is the distance from Macon to Valdosta?

1057 Mr. Cutler: 151 miles.

Mr. Baxter: What did you say was the distance from Jackson to Gulfport?

Mr. Cutler: 160 miles.

Mr. Baxter: Between what points on your line does your second group extend?

Mr. Cutler: From Dasher, Georgia, to New River, Florida, inclusive.

Mr. Baxter: How far is Valdosta from Dasher?

Mr. Cutler: About 4 or 5 miles.

Mr. Baxter: What is the distance from Valdosta to New River?

Mr. Cutler: 87 miles, if my memory serves me.

Mr. Baxter: Does not your second group include your recently acquired line from Valdosta to Jacksonville?

Mr. Cutler: Yes, sir.

Mr. Baxter: What is the length of that line.

Mr. Cutler: 110 miles.

Mr. Baxter: Your third group extends between what points?

Mr. Cutler: From New River to Palatka, inclusive.

Mr. Baxter: What is that distance?

1058 Mr. Cutler: 47 miles. I do not know whether that is exactly right or not.

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Mr. Cutler: From New River to Palatka, inclusive.

Mr. Baxter: What is that distance?

1058 Mr. Cutler: 47 miles. I do not know whether that is exactly right or not.

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Mr. Baxter: Is that group, or any part of it located in Georgia?

Mr. Cutler: No, sir.

Mr. Baxter: We have heard a good deal in this case of Group 1 on the Southern railway. Between what points does that group extend?

Mr. Cutler: Well, it includes the Southern railway between Macon and Brunswick. I am under the impression it includes other territory.

Mr. Baxter: What is the distance from Macon to Brunswick by the Southern railway.

Mr. Cutler: 191 miles, if my memory serves me.

Mr. Baxter: Now, rates from points on the Southern railway, Group 1, between Macon and Brunswick on lumber destined to Ohio River points and beyond, how do those rates compare with the rates from the lumber district in Mississippi, south of Jackson?

Com'r Prouty: Mr. Baxter, that is all in this case by four or five witnesses. They are 1 cent higher on his first group and 2
1059 cents higher on the second group. Is it necessary to go into that again?

Mr. Baxter: No, sir; I had forgotten that. How is it in reference to your third group?

Mr. Cutler: Three cents higher than Group 1 of the Southern.

Mr. Baxter: How is it with reference to the Mississippi rates?

Mr. Cutler: Three cents higher.

Mr. Baxter: If I understand you, from stations on your main line in Group 1, from Macon to Valdosta, your rate is 1 cent higher than the Mississippi rates.

Mr. Cutler: Yes, sir.

Mr. Baxter: And from stations in Group 2 your rate is 2 cents higher?

Mr. Cutler: Yes, sir.

Mr. Baxter: And from stations in Group 3, from New river to Palatka, all of which is in Florida, your rate is three cents higher?

Mr. Cutler: Yes, sir.

Mr. Baxter: When lumber is brought to your road by connecting lines, (referring to map) I notice one coming in from Fitz-
1060 gerald to Tifton and one from Thomasville to Tifton, one from Moultrie to Sparks and one from Albany to Cordele—how are the rates on those lines adjusted?

Mr. Cutler: One cent higher as a rule than our Group 1 rates.

Mr. Baxter: You mean where a connecting line comes into Group 1, the rate from the mill on the connecting line is one cent higher than from the stations on the main line?

Mr. Cutler: On the G. S. & F.

Mr. Baxter: Suppose a connecting line comes in to your Group 2.

Mr. Cutler: It is one cent higher than Group 2.

Mr. Baxter: Well, in Group 3 how is it?

Mr. Cutler: Well, we carry no rates from branch lines entering

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our Group 3 to the West, I do not think we do—yes, they are one cent higher than Group 3.

Mr. Baxter: From the situation of your railroad it would seem that lumber produced on your road could reach the coast by short hauls. How does the revenue which you obtain on lumber moving to the coast compare with that moving to the West destined to Ohio river and beyond?

Mr. Cutler: From the lumber producing points, or rather
1061 from the points on the road shipping lumber we get more money when moving to the ports.

Mr. Baxter: That is all.

Cross-examination:

Mr. Boatright: Mr. Cutler, what percentage of the tonnage of your line is timber products?

Mr. Cutler: About 60 per cent. for the last fiscal year ending June 30, 1902.

Mr. Boatright: It has been varying from 60 to 65 per cent. for the last 3 or 4 years, has it not?

Mr. Cutler: I do not think it has run in excess of 60 per cent. I may be mistaken on that.

Mr. Boatright: Is lumber the most profitable business handled by your line?

Mr. Cutler: No, sir; I should say not.

Mr. Boatright: Are you prepared to state your earnings on lumber as compared with all other freight earnings?

Mr. Cutler: You mean the actual figures earned on lumber as compared——

1062 Mr. Boatright: Approximately; is it not a fact that lumber pays the Georgia Southern & Florida more freight than all other tonnage handled?

Com'r Prouty: Do you mean per ton per mile, or gross freight?

Mr. Cutler: I should think it would if 60 per cent. of it is lumber. I am not prepared to say definitely.

Mr. Boatright: Is not your average proportion received on business for the coast 5 cents per hundred pounds or twelve dollars per car—about that?

Com'r Prouty: Which way is most of the movement on your line—west or to the coast?

Mr. Cutler: I think it is about 50 and 50 in each direction.

Com'r Prouty: Could you file a statement showing the number of cars moved to the Ohio River points or north for October, 1901, 1902 and this present October.

Mr. Cutler: Yes, sir.

Mr. Boatright: On business moving to the Atlantic ports do you receive substantially the same proportions where the business moves through Valdosta, Tifton or Macon?

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Mr. Cutler: Substantially; yes, sir.

1063 Mr. Boatright: That is about 5 cents per hundred pounds, or twelve dollars a car?

Mr. Cutler: Yes, sir.

Mr. Boatright: On the basis of the present rates to the West, you will receive 5½, 6½ and 7½, regardless of what junction it passes through?

Mr. Cutler: According to the routes, yes, sir.

Mr. Boatright: What necessitates grouping a distance of 285 miles in three groups on your line as compared with the 160 miles from Jackson to Gulfport in one group?

Mr. Cutler: I will state that that group was made before I became connected with the G. S. & F. railroad. From my point of view, in defending the grouping, I would state that from points in Florida, Group 3, there is absolutely no movement to the West, and why that group was put in, I do not know. The rates from there to the West are really paper rates. As to Groups 1 and 2, I believe the G. S. & F. railway is entitled to receive a slightly increased proportion for a haul of, say on an average, 200 miles as against an average haul of 75 or 80 miles, particularly so when a railroad is located, as

1064 is the G. S. & F., having the ability to reach the South Atlantic ports, one port—the port of Jacksonville—with our own rails, at which point we have expensive terminals to keep up, and I might state that any road can be consistently grouped as is done by the standard tariffs issued by any State railroad commission. They group the rates sometimes in groups of 10 miles, and sometimes in groups of 25 miles, according to the distance the freight is hauled.

Mr. Boatright: Even if that were true as an original proposition, how would it be after this line had all been in one group at one time and on an equality with the Mississippi rate?

Mr. Cutler: I do not understand that the mileage from Macon to Palatka was ever in one group.

Mr. Boatright: Well, the various groups were 1, 2 and 3 cents, respectively, less than they are now, were they not?

Mr. Cutler: When do you refer to?

Mr. Boatright: There was a time when these three groups were 1, 2 and 3 cents, respectively, less than they now are; that is, they were the same as Southern railway Group 1?

Mr. Cutler: Yes, sir.

1065 Mr. Boatright: Are you prepared to state what proportion of the lumber handled by your line comes off the tap line or short connecting lines as compared with that that originates directly on your own line?

Mr. Cutler: I am not. I have not the figures before me.

Mr. Boatright: Could you give an approximation of it?

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Mr. Cutler: It would be purely a guess. I would not care to even give an estimate without making an examination.

Mr. Boatright: Does your line make the rates and the divisions for these small lines, generally?

Mr. Cutler: Does the G. S. & F. make the divisions for the small lines?

Mr. Boatright: The G. S. & F. in connection with the large lines? In other words, does your line consult these small lines in fixing the total rates, or what proportion they shall receive?

Mr. Cutler: I think it can be better stated by saying that the short lines consult us.

Mr. Boatright: Do you know of any consultation when the rate on the Tifton & Northeastern was increased 3 cents at the same time the recent increase of 2 cents was made, if such happens to be the fact?

1066 Mr. Cutler: Yes, sir.

Mr. Boatright: That is correct—it was made 3 cents higher when the other was increased two?

Mr. Cutler: Yes, sir. If you will allow me, I will explain that to the Commission.

Mr. Boatright: Very well.

Mr. Cutler: The Tifton & Northeastern railway, running from Tifton to Fitzgerald, 25 miles—at one time Mr. Boatright was traffic manager of it—have erjoyed up until—I think it was June 22—a lower rate from the stations on the T. & N. E. than other tap lines enjoyed or other connecting lines, the smaller roads. When the advance of 2 cents was made, June 22, so far as the G. S. & F. was concerned, I felt that the T. & N. E. should carry no advantage over the other lines, and I put them on the basis of one cent higher than Tifton or our Group 1 stations.

Mr. Boatright: You stated that from your Group 3 no business moved to the West. Is it not probable that the rate had something to do with that. May not that rate be prohibitive?

Mr. Cutler: I do not think so.

Mr. Boatright: Is there any business there—are there any 1067 mills located in that territory?

Mr. Cutler: Not in any large volume. There are a few small mills there. There are no mills of large capacity on that end of the line.

Mr. Boatright: What is the line from Sampson city south to Fairfield?

Mr. Cutler: The Gainesville & Gulf.

Mr. Boatright: Does that line take 1 cent higher than your Group 3?

Mr. Cutler: Yes, sir.

Mr. Boatright: Is there any business that moves from that line to the West?

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Mr. Cutler: Practically none.

Mr. Boatright: Do you think the rate would influence that condition, or bring it about?

Mr. Cutler: I do not think one pound more business would move from the Gainesville & Gulf railway to the West if the rates from that road to the West were made the same as our Group 3 rates.

Mr. Boatright: On rough, green lumber weighing 4½ pounds to the foot, that 4 cents difference in rate would make a difference of $1.80 a thousand, would it not? Would it be probable they could meet that competition?

1068

Mr. Cutler: I do not think so.

Mr. Boatright: In the petition to the Commission and also in the court, I believe it was alleged that that increase had been from 2 cents in most instances to 3½ and 5 in some. Is it not a fact that your line in publishing its first tariff, published a rate of 29 cents to Michigan City and 28½ cents to Dayton, Ohio, which was afterwards corrected?

Com'r Prouty: It is hardly worth while to spend time to verify a thing like that.

Mr. Cutler: If that were so, it was corrected, Mr. Boatright.

Mr. Boatright: What have you got to say as to the reasonableness of the rate of 24 cents to Cincinnati? On what grounds do you contend, if you do make such contention, that that is a reasonable rate as compared with the existing rate of 20 cents for many years prior to the increase in 1899?

Mr. Cutler: I believe that a rate of 24 cents, or 2 cents increase over the rates that were in effect, or rather in existence, back as far as 1899 was a reasonable advance because of the increase in the prices of lumber. I do not think the rate of 24 cents is excessive from points on the line of the Georgia Southern & Florida railway. The mills located on the G. S. & F. have a much larger area of territory to distribute their product. They are able, and I think it can be shown do move their product to South Atlantic ports, to the Carolinas, to the Virginias, to eastern cities and interior eastern cities, also southeastern interior points as far west as Birmingham and many other southeastern cities—Chattanooga, Nashville, Knoxville, Bristol, Atlanta—and in my opinion, from G. S. & F. stations the advance was not excessive, the rate of 24 cents being relatively the same as had been in effect prior to June 22, from Mississippi and other southwestern mills.

1069

Mr. Boatright: Is it not a fact that your line, even previous to the advance in this rate, was making more money as a whole than it ever made before? Has not its profit been constantly increasing, regardless of the question of percentage? As a total—as a whole, has it not been constantly increasing?

Mr. Cutler: I think so. I hope so.

BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FIL

Mr. Boatright: Do you think the increased expenses in-
1070 curred by railroads are relatively any greater than those incurred by lumber manufacturers?

Mr. Cutler: I have not looked personally into that phase of it, but firmly believe that it is a fact that the expenses are greater and the prices are greater.

Mr. Ellis: Have you another copy of Exhibit A?

Mr. Cutler: I have another copy. The figures are the same.

Mr. Ellis: Look at your groupings there of total operating expenses and taxes and say whether the amount of any one of those periods is intended to be the expenses for two years or for a year.

Mr. Cutler (referring to exhibit): The figures shown under each column are for the fiscal year.

Mr. Ellis: By subtracting the operating expenses and taxes for the first period from that of the second, I get an increase of $41,660; by making the subtraction of the next two periods, one from the other, I get an increase of $173,949; then, the next period shows an increase of $33,481; then the last period shows an increase of $52,762. I wanted to ask you what caused the increase of consid-
erably over one hundred thousand dollars in that second
1071 period over any other period.

Mr. Cutler: You mean the fiscal year ending June 30, 1900, over the fiscal year ending June 30, 1899?

Mr. Ellis: Yes, sir.

Mr. Cutler: I could not tell you. I am not familiar with it.

Com'r Prouty: That is simply a statement you obtained from your auditing department, I suppose?

Mr. Cutler: Yes, sir.

Mr. Ellis: I want to ask you what was done within your knowledge within that period that was unusual in the way of expenditures?

Mr. Cutler: I do not think I could venture to answer that.

Mr. Ellis: Are you prepared to say that these operating expenses do not include permanent investments and betterments?

Mr. Cutler: I am not prepared to state.

Mr. Ellis: So, of your own knowledge, you do not know anything of this statement, except in a general way?

Mr. Cutler: I was simply called upon to furnish this statement as it came from the accounting department.

1072 Mr. Ellis: Who is the officer of your railway company who is the member of the Southeastern Freight Association?

Mr. Cutler: I am.

Mr. Ellis: When did you first learn of this proposed increase of 2 cents?

Mr. Cutler: I heard it discussed early in February.

Mr. Ellis: Who first mentioned it to you?

Mr. Cutler: I could not answer you.

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Mr. Ellis: Who took the initiative before this association?

Mr. Cutler: I do not know.

Mr. Ellis: What railroad?

Mr. Cutler: I do not know.

Mr. Ellis: Did you ever file a declaration on the subject with Mr. Parrott?

Mr. Cutler: Yes, sir.

Mr. Ellis: At whose instance or suggestion or request did you do that?

Mr. Cutler: Why, at no one's suggestion or instance or request.

Mr. Ellis: Then do you mean to tell this Commission that
1073 these things originated spontaneously in the minds of the members of that freight association?

Mr. Cutler: No, sir.

Mr. Ellis: Is it not true, Mr. Cutler, that these things come about by discussion and preliminary agreement?

Mr. Cutler: I expect they do come about in that way.

Mr. Ellis: And is not this declaration used in the form filed after the rate or increase has been put into effect?

Mr. Cutler: Naturally.

Mr. Ellis: Have you known of any instance in the last year where a majority of the controlling lines—I mean lines of the most importance, whose representatives belong to this association—where a declaration by a majority of the members has ever been reversed by a minority?

Mr. Cutler: I will have to ask to have that question repeated.

(The question was repeated by the stenographer.)

Mr. Cutler: It is not a question of majority and minority at all.

Mr. Ellis: It is a question of——

Mr. Cutler: Independent action.

Mr. Ellis: Well, is it not a question of unanimous agreement or unanimous declaration?

1074 Mr. Cutler: No, sir.

Mr. Ellis: Is not the situation such that there is a reserved right to any member to object, but that after the consensus has been brought about, there is no objection?

Mr. Cutler: I expect a man has a right to change his mind.

Mr. Ellis: Do you know of any instance where a man's mind has changed within the last year?

Mr. Cutler: Oh, yes; mine has changed frequently.

Mr. Ellis: Have you filed before Mr. Parrott's association any change of mind that brought about a change of condition within the last year?

Mr. Cutler: I have not filed anything with Mr. Parrott since my first declaration as to the advance of rates on this lumber.

Mr. Ellis: There are certain forms or blanks sent out by Mr. Parrott to the members of this association, are there not?

Mr. Cutler: Yes, sir.

Mr. Ellis: And these are stereotyped methods of making the declaration, are they not?

Mr. Cutler: Not necessarily.

1075 Mr. Ellis: Have you ever seen two declarations on the same subject which were not identical?

Mr. Cutler: Frankly, I do not know that I have ever seen two declarations side by side. I know what my declaration is and do not know what the others are. Sometimes I see them and sometimes I do not.

Mr. Ellis: We are through with the witness.

The witness was excused.

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1075*a*

Exhibit A—Mr. Cutler.

(See p. 1051.)

Georgia Southern & Florida Railway Company.

Earnings, Operating Expenses, Net Earnings, Fixed Charges, Surplus—Total and per Mile of Road—Fiscal Years 1898, 1899, 1900, 1901, *and* 1902.

	1897–1898.	1898–1899.	1899–1900.	1900–1901.	1901–1902.
Gross earnings	$949,627.06	$953,797.94	$1,180,411.18	$1,203,811.26	$1,250,875.96
Gross earnings per mile of road	3,332.02	3,346.66	4,141.79	4,223.90	4,389.05
Total operating expenses and taxes	$654,054.02	$695,714.47	$869,663.17	$903,144.16	$955,906.09
Total operating expenses and taxes per mile of road	2,294.92	2,441.10	3,051.45	3,168.93	3,354.05
Net earnings	$295,573.04	$258,083.47	$310,748.01	$300,667.10	$294,969.87
Net earnings per mile of road	1,037.10	905.55	1,095.34	1,054.97	1,034.98
Fixed charges—interest on bonds	$177,950.00	$181,250.00	$187,550.00	$190,050.00	$190,050.00
Fixed charges—interest on bonds—per mile of road	624.39	635.96	658.07	666.84	666.84
Income	$117,623.04	$76,833.47	$123,198.01	$110,617.10	$104,919.87
Income per mile of road	412.71	269.59	432.28	388.13	368.14

Before me, Walter H. Beeks, a notary public in the county of Bibb, State of Georgia, personally appeared W. F. Buchannon, who, being duly sworn, deposes and says that he is auditor of the Georgia Southern & Florida Railway Co., and that the above is a true and correct statement to the best of his knowledge and belief.

(Deponent) —— ——.

Sworn and subscribed to this 6th day of May, 1903.

——, *Notary Public, Macon, Bibb County, Georgia.*

Copy.

1075b

Exhibit B—Mr. Cutler.

(See p. 1052.)

Manufacturers of Lumber Located on Line of Georgia Southern & Florida Railway.

Capacity per Day.

List dated.	Saw feet.	Planing, B. measure.	Shingles, number.	Laths, number.	Staves, number.
May 15th, 1891	869,000	147,000	430,000	.....	.....
May 15th, 1892	751,000	212,000	449,000	124,500	.....
Nov. 25th, 1893	839,000	315,000	275,000	68,500	21,500
April 1st, 1895	772,000	401,000	336,000	99,000	38,000
Oct. 15th, 1896	889,000	395,000	316,000	89,000	60,000
June 29th, 1897	1,028,000	440,000	416,000	89,000	60,000
June 20th, 1898	1,096,000	455,000	420,000	85,000	60,000
Feb'y 22nd, 1899	1,178,000	475,000	430,000	99,000	85,000
April 1st, 1900	1,133,000	547,000	500,000	114,000	84,000
Jan'y 22nd, 1902	1,144,500	441,000	439,000	109,005	87,000
Feb'y 25th, 1903	1,142,500	463,000	434,000	94,000	95,000

1075c Georgia Southern & Florida Railway Company, General Freight Department.

MACON, GA., *Nov.* 18, 1903.

Refer to file 8462.

Rates on Lumber to Western Points.

Hon. Ed. Moseley, Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: In compliance with request made by Mr. Prouty, at hearing in the above case in Atlanta, Ga., October 31st, I beg to advise you the G. S. & F. Ry. handled:

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518 car-loads of lumber in Oct., 1901
727 car-loads of lumber in Oct., 1902
337 car-loads of lumber in Oct., 1903
} To Ohio River points and points beyond.

Please acknowledge receipt of the above, and oblige,

Yours truly,

JNO. M. CUTLER,
General Freight Agent.
H.

Com'r Prouty: We will take a recess until 2:15 o'clock.

At 12:30 o'clock p. m. the Commission took a recess until 2:15 o'clock p. m.

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1076 AFTER RECESS.

OCTOBER 31, 1903—2:15 p. m.

Commissioner Prouty: Is your witness here, Judge Baxter?
Mr. Baxter: Yes, sir; I will call Mr. Menzies.

JAMES MENZIES,

a witness called on behalf of defendants, having been duly sworn, testified as follows:

Mr. Baxter: Mr. Menzies, what position do you hold in the Atlantic Coast Line Railroad Company?
Mr. Menzies: I am general freight agent of the second division of the Atlantic Coast Line. The second division is the lines south of Charleston.
Mr. Baxter: How long have you held that position?
Mr. Menzies: I have held that position with the Atlantic Coast Line since July 1st, 1902. Prior to that time I was connected with the Plant system, from 1895.
Mr. Baxter: How long have you been connected with the railroad freight traffic department in this country?
Mr. Menzies: I have been connected with it since 1881.
Mr. Baxter: Do your duties have any relation to the mak-
1077 ing of freight rates upon your system?
Mr. Menzies: Yes, sir.
Mr. Baxter: Is the item of lumber a considerable part of the freight traffic of the Atlantic Coast Line?
Mr. Menzies: A considerable part.
Mr. Baxter: Where is the lumber which is manufactured on or near your lines marketed?
Mr. Menzies: It is marketed in the East.
Mr. Baxter: Can you give me the proportions between those different markets?
Mr. Menzies: About 60 per cent. goes to the ports. The greater part of this is subsequently shipped to the East. About 9 per cent. goes to the East all rail. About 30 per cent. goes West.
Mr. Baxter: How does the lumber which moves over your line to the ports, as to its revenue, compare with lumber shipped to the West?
Mr. Menzies: It is upon a very much larger basis per ton per mile.
Mr. Baxter: The cars which are used in hauling lumber from the

mills to the ports, are they handled oftener than cars moving lumber to the West?

Mr. Menzies: Very much more frequently.

1078 Mr. Baxter: Why is that?

Mr. Menzies: On account of the shorter haul.

Mr. Baxter: For the three months ending March 31, 1903, if you have caused an investigation of those months to be made, what percentage of the cars moving to the mills were flat cars?

Mr. Menzies: About 50 per cent. of the equipment which we used in the western lumber traffic were flat cars.

Mr. Baxter: Now, of those flat cars, what per cent. come to the mills empty for loads?

Mr. Menzies: Ninety-five per cent. of the cars that we receive come empty.

Mr. Baxter: If you have caused to be investigated the total movement of lumber from points on your line and from connecting roads over your line to points on and north of the Ohio river for the year ending December 31, 1903, how many cars of lumber did you handle?

Mr. Menzies: 61,887,680 pounds.

Mr. Baxter: What per cent. does your lumber bear to your whole traffic?

Mr. Menzies: In tonnage, 22 per cent.

Mr. Baxter: What per cent. does it contribute to the gross earnings of your company?

1079 Mr. Menzies: Fifteen per cent.

Mr. Baxter: How does the profitableness of lumber as a traffic compare with the profitableness of other traffic handled by your road?

Mr. Menzies: It is lower.

Mr. Baxter: In reaching the determination to make the recent advance of 2 cents per hundred pounds, state whether the Atlantic Coast Line Railroad Company acted independently or by agreement with any other line, and, if so, with what other line?

Mr. Menzies: We acted entirely independent of any other line.

Mr. Baxter: I understand, then, that there was no agreement with any competing line in regard to the advance?

Mr. Menzies: No, sir; there was not.

Mr. Baxter: Of the shipments over your line from points in Georgia to points on and north of the Ohio river during the months of January, February and March, 1903, what per cent. was consigned to railroad companies and car manufactories?

Mr. Menzies: 18.8 per cent. was consigned to railroad companies and car manufactories.

1080 Mr. Baxter: Have the various items which enter into the expense of operating railroads increased or decreased during recent years?

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Mr. Menzies: Increased.

Mr. Baxter: In what items have those increases of expenses occurred?

Mr. Menzies: In all kinds of material, track material, etc., lumber, and all material used in the movement of trains, oil, waste, etc.

Mr. Baxter: Has the cost of locomotives and cars cut any figure?

Mr. Menzies: Yes, sir; they have also increased in cost.

Mr. Baxter: I wish you would state your opinion as to the reasonableness or unreasonableness of the present rates on lumber from Georgia points and Florida points to points on and north of the Ohio river, and give your reasons for any opinion you may express in regard thereto?

Mr. Menzies: The rates from points on our line in Georgia to Ohio River points and beyond I consider reasonable, because on the rate charged the earnings we derive from such traffic are lower than what we derive from similar traffic moving in other
1081 directions and are very much lower than what we earn on our general traffic.

Mr. Baxter: Do you know of any lumber rates in the United States which are less for similar distances than the lumber rates in controversy in this case?

Mr. Menzies: I do not.

Mr. Baxter: You may take the witness.

Cross-examination:

Mr. Boatright: You stated, Mr. Menzies, that you receive more comparative revenue on your coast shipments than on the western shipments. What is the comparative length of the haul? Do you haul the port shipments as far as you do the western?

Mr. Menzies: The port shipments move on a shorter haul.

Mr. Boatright: You would naturally receive more, would you not, per ton per mile?

Mr. Menzies: Yes, sir.

Mr. Boatright: How would the rate per ton per mile on the basis of the present western rate compare with the Georgia local for similar distances?

Mr. Menzies: The rate per ton per mile to the ports would be higher.

1082 Mr. Boatright: For the same distances that the western business moves?

Mr. Menzies: Yes, sir.

Mr. Boatright: Among the fifty per cent. of flat cars used to handle Georgia lumber do you include gondola or coal cars?

Mr. Menzies: Yes, sir.

Mr. Boatright: Are your cars that move South in considerable quantity loaded or brought in empty in order to handle lumber back?

Mr. Menzies: They are brought in empty to our line.

Mr. Boatright: Do you allow your flat-car equipment to be loaded West ordinarily?

Mr. Menzies: No, sir.

Mr. Boatright: Is that not a strong reason why the flat-car equipment moves South empty?

Mr. Menzies: If we send our own equipment West? There is no reason why our cars should be loaded to a greater extent than the cars of foreign lines coming South.

Mr. Boatright: If the lumber business places that burden on the flat-car equipment, how about the percentage of box cars? Would not those cars go back empty without that business?

Mr. Menzies: I do not know what percentage of our box-
1083 car equipment goes North empty. I do not think there is a large percentage at any time.

Mr. Boatright: Do box cars move South empty in order to get the Georgia products?

Mr. Menzies: They do not move South at the present time, but box cars do move South for loads at times.

Mr. Boatright: Then if it were not for the lumber business, there is 50 per cent. of those cars that would have to go back empty?

Mr. Menzies: There is a very small box-car movement northward empty.

Mr. Boatright: But if this lumber business should suddenly cease, there are 50 per cent. of the box cars that would go back empty?

Mr. Menzies: I do not know whether they would or not. The percentage of our western business is small as compared with our coast business.

Mr. Boatright: You said, I believe, that 22 per cent. of the tonnage handled by your line is forest products. Does that statement apply to the entire Coast Line, or to the Plant system only?

Mr. Menzies: It applies to the lines of the Atlantic Coast Line that I represent.

1084 Mr. Boatright: Can you state what that percentage would be if applied to the lines formerly composing the Plant system—you say the lines you represent only?

Mr. Menzies: Yes, sir.

Mr. Boatright: Excuse me. Has it not occurred to you that the rate you make might be some reason for such a large percentage of Georgia lumber going to the car works; in other words, that the rate tends to prohibit or decrease shipments entering into other industries?

Mr. Menzies: No; my understanding is that of the 60 or 70 per cent. of our business that goes to the ports that the price received on that business is higher than the average price received in the West.

Mr. Boatright: It is a higher-grade lumber, is it not?

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Mr. Menzies: That is my understanding.

Mr. Boatright: It is nearly all high-grade lumber that goes to the coast, is it not?

Mr. Menzies: I do not know the class of lumber that moves.

Mr. Boatright: Do you know what proportion of the lumber that moves from Alabama, Mississippi and other States west of
1085 Georgia to this same territory West?

Mr. Menzies: I do not.

Mr. Boatright: You could not say whether as much as 80 per cent. of that goes to the car factories and railroads, could you? It might be a very much less per cent., might it not?

Mr. Menzies: I do not know.

Mr. Boatright: What would be the probable result, Mr. Menzies, of reducing the rates at Evansville, Jeffersonville, and Cincinnati 4 cents, putting them back where they were prior to this increase, and allowing the Cairo rate to remain where it now is?

Mr. Menzies: I cannot say what the result would be.

Mr. Boatright: One result would be that Georgia would have a greater advantage in much of that territory than it now has, would it not, so far as that feature goes?

Mr. Menzies: To the extent of the reduction you speak of.

Mr. Boatright: Many more points would base on the Ohio River crossings than now do, and to that extent Georgia shippers would receive a reduction of 4 cents?

Mr. Menzies: More points would base on the upper river crossings.

1086 Mr. Boatright: Has there been any increase in the rates from North Carolina to Buffalo and Pittsburg territory?

Mr. Menzies: I am not familiar with the rates from that territory.

Mr. Boatright: Do you know whether or not North Carolina lumber comes in competition with Georgia lumber in Buffalo-Pittsburg territory?

Mr. Menzies: I cannot say.

Mr. Boatright: Mr. Menzies, to what extent was the Atlantic Coast Line responsible for this increase in rate? What steps, if any, were taken by the Atlantic Coast Line to bring about this result?

Mr. Menzies: We were in favor of a revision of the rate.

Mr. Boatright: Did you attend the conferences at which this understanding was reached?

Mr. Menzies: What understanding?

Mr. Boatright: That the rates should be advanced?

Mr. Menzies: I did not attend any meeting where any understanding of that nature was reached. I did attend one or two meetings with other lines for the purpose of discussing the matter.

1087 Mr. Boatright: Were you at the St. Louis meeting?

Mr. Menzies: No, sir.

Mr. Boatright: Was your line represented there?

Mr. Menzies: I don't know.

Mr. Boatright: Were there any conferences so far as you know between the lines west of the Mississippi and those in this territory?

Mr. Menzies: I have no definite information upon that subject.

Mr. Boatright: What is your understanding of what was done?

Mr. Menzies: My understanding is that some of the western lines did have the matter up with the lines from the southeast.

Mr. Boatright: If there was not an understanding or agreement, how would you account for all of the rates from all this immense territory, perhaps a thousand miles in width, becoming effective at the same time, or would have except for certain interference? They were to have become effective at the same time.

Mr. Menzies: We very frequently give notice of our intention to reduce a rate, and other lines are notified of that intention,

1088 and they necessarily—if they want to compete for the traffic affected by the reduction—reduce their rates at the same time.

Mr. Boatright: But how about it when you propose to make an increase in rates? Do you pursue the same method?

Mr. Menzies: If we propose to make an increase, we notify the other lines of our intention to do so.

Mr. Boatright: Can that be done without conference? If without an understanding or agreement, would it be practicable?

Mr. Menzies: To bring about an increase?

Mr. Boatright: Yes, sir.

Mr. Menzies: Yes, sir.

Mr. Boatright: Is it ever done?

Mr. Menzies: Sometimes it is done.

Mr. Boatright: Not but very rarely?

Mr. Menzies: Not very frequently.

Mr. Boatright: Can you give an instance of some important competitive traffic where one line increased the rate without previous understanding?

Mr. Menzies: I cannot recall any just at the present time.

Mr. Boatright: That is all.

1089 Commissioner Prouty: Could you file a statement showing the amount of this traffic which moved West over your line in October 1901, 1902, and 1903?

Mr. Menzies: Yes, sir.

Commissioner Prouty: I wish you would file that statement.

Mr. Menzies: Yes, sir; I will do so.

Mr. Boatright: One more question: Did the Plant system originally have the same rates to this territory as the Southern railway, Group 1—that is 1, 2, and 3 cents less than at the present time from the different groups?

Mr. Menzies: Yes, sir.
Mr. Boatright: When was the change making that difference brought about? Was that in 1899?
Mr. Menzies: Yes, sir.
Mr. Boatright: That is all.

Witness excused.

1089a Atlantic Coast Line Railroad Company, Office of General Freight Agent, Second Division.

James Menzies, Gen'l Freight Ag't.

In your reply refer to file A.

SAVANNAH, GA., *December 4th*, 1902.

Mr. Edward A. Moseley, Secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR: Complying with the request made by the Commission at the hearing of the lumber rate case in Atlanta during October last, I enclose herewith statement showing the movement of lumber via the Atlantic Coast Line railroad, from stations in Georgia, to Chattanooga, Nashville and Ohio River crossings and points north thereof, for the month of October, 1901, 1902 and 1903.

Yours truly,

JAMES MENZIES,
General Freight Agent.

1089b *Lumber from Points in Georgia Handled by the A. C. L. During Month of October as Named in Pounds.*

	1901.	1902.	1903.
To Ohio River points and points north	19,582,842	27,509,250	16,475,910
Chattanooga... } Nashville ..... }	405,350	868,610	903,220

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1090 T. C. POWELL,

a witness called on behalf of defendants, having been duly sworn, testified as follows:

Mr. Baxter: Mr. Powell, what position do you hold in the Southern Railway Company?

Mr. Powell: Freight traffic manager; headquarters at Washington.

Mr. Baxter: To what do your duties as such pertain?

Mr. Powell: Under the direction of the fourth vice-president, I have supervision over the freight traffic of the Southern railway and over the rates made for transporting such traffic.

Mr. Baxter: How long have you been connected with the railroad freight service in this country?

Mr. Powell: Since 1884.

Mr. Baxter: How long have you been connected with the lines now forming the Southern railway?

Mr. Powell: I have been with the Southern railway and its allied interests since 1884, and with the Southern railway proper since 1895.

1091 Mr. Baxter: Prior to November 28, 1891, what were the rates on pine lumber from Georgia points, Group No. 2, to Cairo in cents per hundred pounds?

Mr. Powell: Prior to November 28, 1891, the rates from the Macon and Brunswick division of the Southern railway to Cairo were, 20 cents on box cars and 23 cents on flat cars.

Commissioner Prouty: Judge Baxter, do you expect to show anything different by this witness from what has been shown in that respect by the other witnesses?

Mr. Baxter: No, sir.

Commissioner Prouty: That has all been testified to, and it is not disputed.

Mr. Baxter: Does your honor think that the record also shows that on November 28, 1891, those rates were reduced to 17 cents?

Commissioner Prouty: Yes, sir.

Commissioner Fifer: All those facts will be shown by the tariffs on file with the Commission.

Commissioner Prouty: Mr. Culp and Mr. Green testified to that.

Mr. Baxter: Mr. Powell, what were the rates on pine lum-
1092 ber from the Arkansas mills to Cairo,—and what was the average distance from those mills to Cairo—in effect January 2, 1888?

Mr. Powell: Effective January 2, 1888, the rate on lumber from Arkansas mills between Camden, Ark., and Texarkana, Ark., to

Cairo was reduced to 13 cents per hundred pounds. Without knowing exactly the location of the various mills in that group, I should say the average distance was about 365 miles.

Mr. Baxter: Well, as to the rate of 13 cents per hundred pounds which you say was in effect from Arkansas mills to Cairo on January 2, 1888, how long did that remain in effect?

Mr. Powell: It remained in effect until 1899.

Mr. Baxter: What was it on May 17, 1894?

Mr. Powell: It was still 13 cents from that same group of mills to Cairo.

Mr. Baxter: Now, what is the average distance from Georgia Group No. 2 to Cairo?

Mr. Powell: Taking the distance from the mills between Macon and Brunswick,—the first mill being located at Bullard, 171 miles from Brunswick,—the average distance would be about 674 or 675 miles.

Commissioner Prouty: Can you tell what it would be to Cincinnati?

Mr. Powell: Fifteen miles.

1093 Mr. Baxter: Do you know what the rate was from Trinity, Texas, to Cairo; or from Texas points?

Mr. Powell: About 1899 the Texarkana rate was extended down into Texas. It was before that a differential higher. I believe the change was made about the same time that the one cent advance was made from Arkansas to Cairo. The tariffs that I have seen published from the Arkansas mills at that period showed a graduated scale north of Camden, between Camden and Texarkana, and south of Texarkana, and so on down the lines that supply the lumber there.

Mr. Baxter: It has been proven that on May 17, 1894, the rates from Group No. 2 to Cairo were reduced to 13 cents—from Georgia Group No. 2.

Mr. Powell: The rate from Georgia Group No. 2, Southern railway, was made 13 cents per hundred pounds.

Mr. Baxter: What was the cause of that reduction?

Mr. Powell: It was entirely because of the alleged competition from Arkansas, Mississippi, and Louisiana; the Mississippi and Louisiana lines having also reduced the basing rate to 13 cents for the purpose solely of meeting the Arkansas competition.

1094 Commissioner Prouty: Do you understand that the reduction from Louisiana and Texas mills was made at the same time that your reduction was made?

Mr. Powell: In that year practically the same time; yes, sir.

Mr. Baxter: So that on May 17, 1894, the rate of 13 cents per hundred pounds to Cairo for beyond applied from Texas and Arkansas and Mississippi points and from Georgia?

Mr. Powell: Yes, sir; except as to Texas I am not sure—as to the

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exact date they put that in. The Arkansas rate was, however, 13 cents.

Mr. Baxter: What was the result of the action of the Georgia lines in reducing the rates from Group No 2. to Cairo? Did it have the effect of enabling the Georgia lumber to compete in the territory on and north of the Ohio river with lumber from Arkansas and Mississippi, or not?

Mr. Powell: It was our understanding, based on the statements of the lumber shippers that an adjustment of rates from Georgia to Cairo providing a basing rate of 13 cents per hundred pounds, the same as from Arkansas, would put them on an absolute equality with the lumber from Arkansas, except to the extent that
1095 they alleged that yellow-pine lumber was heavier per foot than the short-leaf pine, but that to all intents and purposes they would be on an equal basis.

Commissioner Prouty: Was that reduction made at the request of Georgia shippers?

Mr. Powell: Yes, sir; Georgia shippers have been soliciting reductions in these rates from 1888 up to the present time.

Commissioner Prouty: That is, soliciting a reduction which they said would let them into the markets of the Mississippi valley?

Mr. Powell: If you mean by that the markets immediately north of Cairo. Their request was that the rates from Georgia to territory north of the Ohio river, irrespective of the Ohio River crossings, be adjusted in line with rates from Arkansas. In referring to Arkansas rates they took the group from Camden to Texarkana as a comparative group.

Commissioner Prouty: I think Mr. Winburn testified this morning that the principal competition with Georgia was from Mississippi, territory east of the Mississippi river, and that these rates were reduced because those rates were reduced; that those mills there were the mills which most insisted upon a reduction to meet the Arkansas competition. Now, what do you say as to that?
1096 Mr. Powell: If you will permit me, I will give a brief description or history of the rates as they came under my personal attention, which will give the information more clearly than a series of questions. The Arkansas competition was not appreciated in any direction prior to 1888. After the interstate-commerce law was passed the rates which had been in effect from points south of the Ohio river except to such points as were reached by lines also having rails south of the Ohio river were completely demoralized. The northern lines did not know what rates they wanted to charge or what rates they could legally charge. About the 1st of April, 1887, all the rates were withdrawn to points north of the Ohio river.

Commissioner Prouty: How had the rate been made up to that time? Did you not make a rate up to the Ohio river, just as you do now?

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Mr. Powell: Prior to 1887 the rates were based on combination and sometimes on a differential, I understand. The lines north of the river authorized a percentage division, or proportional arbitraries, which brought about the same result. The Illinois Central operating from Mississippi to Chicago, established the rate
1097 to Chicago irrespective of any combination; but commencing with the 1st of April, 1887, all through rates were withdrawn. The rates up to the Ohio river were then made a subject of conference between the lines south of the river. There were really three interests involved in the establishment of rates to the Ohio river: First, the older lines from the Mississippi valley, namely, the Illinois Central and the Mobile & Ohio; second, the Queen & Crescent, which was a comparatively new line, having been opened into the pine territory in 1884 and having only a few mills located on it; and third the lines and interests in the Alabama and Georgia section.

In the very beginning of the history of these lumber rates, which runs back according to my records, to 1882, the Louisville & Nashville railroad south of Decatur, (the South & North Ala. division, and the Mobile & Montgomery division,) was used as a basis for all the Georgia rates. The contention made by the Queen & Crescent, from New Orleans to Cincinnati, was that they would maintain uniform rates to Cincinnati and Louisville and would endeavor to have the rates to St. Louis made higher than to Cincinnati. The other influence in the valley was to the effect that rates to Cincinnati should not at any time be lower from stations on the New Orleans & Northeastern than from
1098 stations on the Illinois Central and the M. & O. to St. Louis. The result of that controversy was that the New Orleans & Northeastern announced the rates it would put into effect to Cincinnati and Louisville; the Illinois Central and the Mobile & Ohio announced the rates they would put into effect to the Ohio river and to St. Louis, and the final outcome was that Cincinnati and St. Louis were made the same. That was in 1887. The basis which had been used prior to that date from Alabama and Georgia territory provided for an adjustment of rates from Macon, Atlanta, and the basing points of Jesup and Albany, in competition with the rates from the South & North division and the Mobile & Montgomery division of the Louisville & Nashville railroad. The exact figures were not determined upon in the basis, but stations south of Macon on the present Southern Railway, and south of Macon on the Central of Georgia railway were made on combination;—charging the full local up to Macon in each case. Stations on the Brunswick & Western, now part of the Coast Line, and stations on the Savannah, Florida & Western, now also part of the Coast Line, were based on combination, using Jesup and Albany; and the rates from

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1099 made on the same rate per ton per mile as from Macon; that is, using the shorter distance rate to establish the basing rate for the longer distance; the idea being that in dividing Jesup on mileage and Albany on mileage the lines north of Macon would earn the same as on lumber reaching them at Macon. At that period there was no published rate from either Alabama or Georgia to Cairo. Cairo was not regarded as a lumber market. In 1888, after the publication of the 13 cents rate from Arkansas to Cairo proper and beyond, Cairo became a reshipping market. In other words, the rate to Cairo plus the arbitrary beyond was just as low as the through rate, and my recollection is that the Arkansas lines for that reason did not think it necessary to publish any through tariff; the shipper getting the same rate whether quoted a through rate or shipping to Cairo and paying the local beyond Cairo; and it was probably for that reason that the lines in Mississippi, Alabama, and Georgia did not realize the extent of the Arkansas competition at that time. The first rate to Cairo from Georgia was published, according to the tariffs on file, on September 1st, 1888, by the Brunswick & Western railroad.

Mr. Baxter: What was the rate?

1100 Mr. Powell: That was published the same as Cincinnati—20 cents, in box cars, and 23 cents, in flat cars. It could not have been published in answer to any demand for a rate to Cairo, because I do not believe that in recent years lumber has moved to Cairo proper, for, as stated, Cairo is not a lumber market, but a reshipping point. It must have been put into the tariff because it was understood in a general way that all rates to Cairo from Georgia territory on all commodities should be the same as to Cincinnati and Louisville, that being the established basis. The publication of Cairo rates was then followed successively by other lines.

The first proposition that I find, or the first record I find of any proposition to make the rates from Alabama points to Cairo the same as from Mississippi points to Cairo is in a sheet of rates compiled by Vice Commissioner Ogden, in 1887, to whom the work had been committed. The schedule of rates proposed was unsatisfactory to almost all interests, but it was acceptable to the lines operating from the upper part of Alabama and the upper part of Georgia because a differential was allowed that section. It was not satisfactory to the lines in South Georgia. The Brunswick & Western,
1101 for instance, demanded that the basing rate from Albany should be made the same as the rate from Macon, instead of the same rate per ton per mile.

Following the publication of the 13-cents rate from Arkansas to Cairo the lines in the Mississippi Valley lumber territory undertook to meet any spasmodic competition there, usually publishing a rate which they thought would meet the competition; sometimes prob-

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ably not publishing it at all. The Georgia Saw Mill Association, in February, 1891, had a conference with the southeastern lines, asking those lines to reduce the rates so as to help them meet the Alabama and Mississippi competition, and at that time the representatives of the Georgia lines did not give much weight to the arguments made in regard to competition with Arkansas lumber, largely because they did not then realize the extent of the Arkansas saw-mill industry; but nevertheless a committee was appointed to confer with the western lines to see if the rates to Cairo could not be advanced, and, failing to secure favorable action, the East Tennessee railroad, now part of the Southern railway, reduced the rates from
1102 points between Macon and Brunswick to the following figures: Cairo 17 cents; St. Louis 20 cents; Cincinnati 20 cents, and Louisville 20 cents; at the same time publishing rates to points north of the river which were less than the Ohio River combinations, intended to meet the Arkansas rates, and the Mississippi Valley rates as well, these figures being: To Detroit 26 cents; to Chicago 24 cents; to Indianapolis 24 cents; and to Michigan City 25 cents.

Commissioner Prouty: At that time what was the arbitrary from Cairo to Chicago?

Mr. Powell: My recollection is that the arbitrary at that time was 9 cents. The arbitrary from East St. Louis was, I recall, to Chicago—being the maximum to the entire State of Illinois—7 cents. The rate from Cairo was made a differential higher than from East St. Louis, or 9 cents.

Commissioner Prouty: The Chicago rate was 2 cents less than the combination?

Mr. Powell: Yes, sir. That two cents differential was the result of a conference with the Mississippi Valley lines. The Mississippi Valley lines had before that undertaken to meet the Arkansas
1103 competition by making their rates, not necessarily the same, but low enough to induce the movement of lumber, and in a general way they had taken the position that they would make rates from New Orleans & Northwestern and the M. & O. south of Meridian and from the Illinois Central south of Jackson, practically 2 cents higher than rates from points on the Cotton Belt between Camden and Texarkana. The publication of the rates on the part of the East Tennessee road in 1891 made two radical changes in the Georgia basis; first, in the determination to meet the Arkansas competition, and, second, in the abolition of the differential between the rates on box cars and on flat cars. The explanation given by the East Tennessee Railroad's traffic representative at that time was that while there was a differential existing from Mississippi in some cases, that differential was not universal from Mississippi, and that there was no differential whatever, nor had there ever been, from Arkansas since 1888.

Mr. Baxter: Differential in what?

Mr. Powell: Between box-car lumber and flat-car lumber. To explain the irregularity in the differential from Mississippi,
1104 I should say that at one time there was an agreement between those lines, based originally, I think, on the Louisville & Nashville rates, to maintain a differential which varied from two to seven cents. That was continued until the Illinois Central broke it down, in two ways; first, by saying that at Chicago,—where they had their own line and were competing with the Arkansas roads,—they could not afford to maintain a differential; and, second, because they had built a number of box cars having end doors for loading lumber, giving them an advantage over other and smaller lines not having such box cars. The Illinois Central could offer those box cars capable of holding long timbers while the New Orleans & Northeastern, for instance, could not furnish equipment for like shipments except in the way of flat cars. A compromise was attempted, and in some of the tariffs will be found a note to the effect that the box-car rates would apply on lumber loaded on flat cars where the lumber did not exceed 32 feet in length, that being the limit as to length of lumber at that time that could be loaded in the Illinois Central box cars. But it was a rule not invariably lived up to, principally because it was quite possible for the
1105 Illinois Central to send one of its cars down to a station on the New Orleans & Northeastern and secure a shipment as against the Queen & Crescent. The reason that the Queen & Crescent advocated a rate to Cincinnati not higher than the rate to St. Louis was because of this competition; that is, the competition of connecting lines in that sense existing prior to the general readjustment of the rates. So the publication of the rates made by the East Tennessee road in 1891, establishing a 20-cents rate on lumber in box cars to Cincinnati, changed the preceding adjustment in two important particulars. The other Georgia lines, following the reduction of the East Tennessee railroad, conferred and endeavored to secure an advance in these rates, but were unsuccessful. From time to time various conferences were held, until at the one hundred and tenth session of the Southern Railway & Steamship Association a special lumber committee was appointed, to whom the question of lumber rates generally between competitive points was referred. I want to say a word on that feature. The old association in existence at that time had control only over rates between competitive points. It was the position of the in-
1106 dividual lines that they must retain absolute control over traffic originating at local stations; and that was the reason why the East Tennessee railroad was enabled to publish these reduced rates without conference and without permission on the part of the other lines at that time. The regulations of the old association required unanimous consent. It was very evident, therefore, that if the lumber rates were to be allowed to be handled in that

way at that time, there would soon be rates in effect which would not pay the cost of operation; and by what might be called a special dispensation, or special understanding between the various lumber-carrying lines it was arranged that, while they would not recognize any authority to control local rates by the association, they would permit the negotiations to be conducted through the association. For that reason we find that when the rate committee failed to reach any understanding as to these rates the matter was referred to the executive board, and in January, 1893, the board held a session, acting on a resolution which was offered by the commissioner of the association, the preliminary part of which reads as follows:

"It is clear that the rates on yellow-pine lumber from
1107 "points in Alabama, Georgia, Florida, Mississippi, etc., under
"the control of this association ought to be advanced.

"The forests of the territory covered by the association are being "depleted with great rapidity, and it is therefore only a question of "a short time when the territory will be in a measure barren of this "class of traffic to be offered for shipment."

They proceeded then to establish a line of rates which were even a further departure from the old adjustment, so far as the relation between the crossings was concerned. As I have explained, the rate issued by the East Tennessee railroad of 17 cents to Cairo was not in all cases used as a basing rate for the traffic. The following were the figures fixed by the executive board of the association from the territory south of Macon, south of Meridian, south of Jackson, and south of Selma, and from the roads taking the same rates they were fixed at the minimum figures, it being the privilege of any line to carry higher rates than these figures either to the Ohio river proper, or as basing rates, and in some cases the lines availed themselves of

that authority, some by adding differentials to what might
1108 be called the foundation rate; others declining to carry to
certain western points as low rates as the basis would have authorized: To Cairo for territory on and west of the C. & E. I. railroad, Evansville to Chicago, 15 cents; to Cairo proper 16 cents; to Louisville 18 cents; to Evansville 19 cents; to Cincinnati 20 cents; to St. Louis and East St. Louis 20 cents.

Mr. Baxter: What date was that, Mr. Powell?

Mr. Powell: The tariff based on these figures became effective July 15, 1893. It had been the purpose of the lines to make the change effective prior to that, but various matters delayed it, and the rates became effective on July 15, 1893, and that was the first tariff published on lumber by the association as a tariff of minimum rates. You will observe that three points were carried out in this adjustment: First, the Arkansas competition was recognized. An attempt was made to meet it by all the lines interested in long-leaf yellow-pine lumber, but it will also be seen that they did not meet it within 2 cents per hundred pounds. The second feature was

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that the Cincinnati and St. Louis rates were maintained on a
1109 parity. The Mississippi lines took the position that while they did not insist upon meeting the Arkansas competition at St. Louis absolutely, they would insist upon making St. Louis at least as low from Mississippi as the Georgia lines would carry from Georgia to Cincinnati.

Commissioner Prouty: Why was that?

Mr. Powell: Simply their position. They had maintained it for years.

Commissioner Prouty: Why should they have taken any such position as that?

Mr. Powell: As a matter of distance it was very much in their favor. The junctions——

Commissioner Prouty: Let me ask another question: Was the same rate made from Georgia to St. Louis as was made from Georgia to Cincinnati?

Mr. Powell: Yes, sir.

Commissioner Prouty: And was the same rate made from Mississippi to both St. Louis and Cincinnati?

Mr. Powell: Yes, sir; the rates crossed; the distances being, to St. Louis from Jackson 513 miles; from Meridian 505 miles; to Cincinnati from Macon 562 miles; to Cincinnati from Meridian 631 miles. The Meridian distance is given because while in
1110 Mississippi Valley territory, and therefore naturally tributary, to a certain extent, to the St. Louis and Chicago markets, the Queen & Crescent was a line operating to Cincinnati, and therefore interested in moving as much business as possible to Cincinnati as against the movement to St. Louis, and this was simply the best adjustment that all lines at that time could agree upon. The Mississippi Valley lines were in favor of meeting the Arkansas competition cent for cent, but they were prevailed upon to make an experiment and try the basing rate of 15 cents to Cairo for territory on and west of the C. & E. I. railroad, Evansville to Chicago, and 16 cents to Cairo for territory east of that line. This was not satisfactory for very long. The Illinois Central had been using 15 cents as a basis, and this resulted in advancing rates from their line from a considerable territory one cent per hundred pounds, and under date of January 17, 1894, the general freight agent of the Illinois Central made the following statement to the commissioner of the Southern Railway & Steamship Association——

Commissioner Prouty: Without referring to or quoting from the records of that association, can you not state what was done
1111 and why? The testimony is that it was finally reduced to 13 cents to meet the Arkansas competition.

Mr. Powell: The conclusion of the letter of the general freight agent of the Illinois Central to the commissioner of the Southern Railway & Steamship Association:

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"The object is, if possible, to secure advances from the Arkansas district to 15 cents per hundred pounds to Cairo, and a corresponding advance to St. Louis, and having a uniform rate from the pin district both east and west of the Mississippi river. The advancing of the basing rate to 16 cents to Cairo for points east of the Evansville-Chicago lines has caused much of the complaint and dissatisfaction with our adjustment and brought a large amount of complaint from our millmen. The rate in our opinion should be uniformly 15 cents to Cairo from our mills as well as from the mills west of the river, and I trust that we can bring about this result by a conference with Messrs. Parker and Dodge."

Messrs. Parker and Dodge were the traffic representatives of the Missouri Pacific and the Cotton Belt, respectively. They had a conference, following this suggestion of the general freight agent of the Illinois Central railroad, and were unsuccessful in per-
1112 suading the lines west of the Mississippi river to advance the Arkansas rate to 15 cents. There was an offer made, which was not satisfactory, to make that rate 14 cents, provided the lines east of the Mississippi river would maintain a differential, but the New Orleans & Northeastern had determined that it was necessary for them to meet the Arkansas competition. They used the same gateway in a great many cases, and therefore they had the same buyers, and the conditions were generally the same. The Queen & Crescent therefore gave notice of its intention to reduce rates, and this was followed by a reduction from Georgia, May 17, 1894. That brings us down to the period when rates from Georgia points to Cairo were made 13 cents as a basing rate in competition with Arkansas, and also in competition with the Mississippi Valley lines. The advances since that time have been explained.

Mr. Baxter: What was the rate from Georgia points to Cairo at that time—to Cairo proper?

Commissioner Prouty: Do you mean for consumption at Cairo?

Mr. Baxter: Yes, sir.

1113 Mr. Powell: It was 17 cents. It should be stated that the East Tennessee railroad and the Southern railway never made any distinction between Cairo proper and Cairo for beyond. There is no special object, however, in the rate from Southern railway stations to Cairo proper, and other lines understood that the Cairo proper rate was to stay at 17 cents, and so published it in their tariffs.

Mr. Baxter: With the exception of the Southern railway and perhaps one or two others, has there not always been a rate to Cairo for beyond and a rate to Cairo proper?

Mr. Powell: Ever since 1888.

Mr. Baxter: The rate to Cairo proper being 4 cents per hundred pounds higher than to Cairo for points beyond?

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Mr. Powell: That was the condition in 1894—May 17, 1894—and that has been maintained since.

Mr. Baxter: Mr. Powell, will you file as Exhibits Nos. 1 to 12, inclusive, statements showing the amount of advances, percentages of increase, dates when such advances were made effective, and the tariff numbers covering such advances on various classes and commodities between various points; describe such statements
1114 and file them with serial numbers as exhibits to your testimony and state any facts in connection with such exhibits as you file them as you may deem material.

Mr. Powell: Exhibit No. 1, sheet 1, is a statement in regard to rates on grain and grain products from western points to Virginia common points, showing the rates in effect today and previous rates, with a note to the effect that rates on November 1st will be further advaned to the figures which were established on December 6, 1902. This represents an advance from Chicago from 14½ cents to 17 cents.

Exhibit No. 1, sheet 2, shows basing rates on grain and grain products from Cincinnati and Louisville to Virginia cities for Carolina territory, representing an advance of one-half cent over the rates in effect prior to January 1st, 1903, and those rates should be advanced, effective December 1st, to be on an equality with rates to Virginia cities proper.

Exhibit No. 2 shows rates on lumber from Carolina territory to Virginia cities and eastern cities, in car-loads, giving the advance in cents and percentage of increase.

Exhibit No. 3 shows rates, and advances in rates, on cotton piece goods from Virginia cities and mill points in South Carolina and Georgia to Texas points.

1115 Exhibit No. 4 shows the present rates, and amount of advance in rates, on certain cotton-seed products, from Mississippi territory to the East.

Exhibit No. 5 gives similar information as to cotton-seed oil from Augusta, Georgia, to New York and to other eastern cities.

Exhibit No. 6 gives similar information as to coke, from Birmingham, Ala., to Cincinnati and Ohio River points generally and to St. Louis and East St. Louis.

Exhibit No. 7–A shows rates on brick, common and pressed, present and prior rates, with the amount of advance, and percentage of increase, from Virginia points to southeastern territory.

Exhibit No. 7–B gives like information as to wrought-iron pipe.

Exhibit No. 8–A gives like information as to special iron articles from eastern cities to Memphis and Nashville, Tenn.

Exhibit No. 8–B gives rates on brick to Jacksonville, Fla., showing the rates, advances, and percentage of increase in rates.

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1116 Exhibit No. 8-C shows rates on cement from the Coplay, Pa., district to Alabama points and Virginia points, and advances and percentage of increase.

Exhibit No. 9 gives like information on green salted hides from Cincinnati and Louisville to tannery points on the Southern railway in North Carolina.

Exhibit No. 10 gives similar information as to dry hides, between the same points.

Exhibit No. 11 gives similar information as to rates on furniture from North Carolina points, Georgia points, Virginia points, Tennessee points, and Alabama points to eastern cities and interior eastern points, showing the advance in rates and the percentage of increase.

Exhibit No. 12 shows rates on glass bottles from Louisville to points in Alabama, Tennessee, and Georgia, showing the advance in cents per hundred pounds and the percentage of increase.

Mr. Baxter: Mr. Powell, will you file as an exhibit a statement showing a comparison of present rates on lumber in cents per hundred pounds to points on and north of the Ohio river from representative points on the line of the Southern railway in Georgia, North Carolina and South Carolina?

1117 Mr. Powell: Exhibit 13 shows the rates to Cincinnati, Cleveland, Chicago, Evansville, Indianapolis and St. Louis on lumber from points in Georgia and North and South Carolina, taking points on the Southern railway having lumber mills.

(Exhibits Nos. 1 to 13, inclusive, above referred to, are hereto attached.)

Mr. Baxter: I will ask you, Mr. Powell, whether the present rates on southern pine lumber which include the recent advance of 2 cents per hundred pounds, from points in Georgia and Florida to the Ohio river and beyond, were the result of any combination or agreement between the Southern Railway Company and any other competing line or lines?

Mr. Powell: No, sir; they were not.

Mr. Baxter: Did you have any personal connection with the making of that advance? If so, state what connection and why the advance was made.

Mr. Powell: I suppose the Southern railway was probably the line which first took up the question of advancing the rates; and it was brought about by the fact that the Southern Railway Company's net earnings were showing a decrease as compared with the

1118 preceding year. It was decided by the management that it was necessary to take steps to correct that trouble, and I was instructed as freight traffic manager to go over the list of rates and advance such of them as in my opinion could sustain the advance without injuring the traffic and without injuring us. In looking over the statement furnished by the auditor of the company show-

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ing tonnage and revenue, we found that during October, November and December the tonnage on lumber received from connecting lines had increased, but that the revenue had not increased in proportion with the increase in tonnage. Most of the lumber which we receive from connections comes from the Georgia and Alabama territory. The lumber which we handle in North Carolina and South Carolina usually originates on our own line. Therefore that indicated to us that in order to secure additional revenue on lumber it was the territory in Georgia and Alabama which should be advanced. We felt that even although lumber does not bear the same proportion to earnings as it does to tonnage we were reasonable in asking that the percentage of revenue should be at least maintained equal to that of the preceding year. On consultation, therefore, with other officials of the Southern railway, I think the first step
1119 I took was to write to the Illinois Central people to ask their opinion as to the lumber market and the effect that an advance in lumber rates would have upon the movement. I did not get a reply immediately, and in the meantime there was a meeting of our rate committee in St. Augustine on January 28th.

Mr. Baxter: Before that, state if on January 5th, 1903, you wrote a letter to Mr. McClung and Mr. Niel on that subject?

Mr. Powell: Yes, sir; that was in line with the conversation I had with our fourth vice-president upon the subject of increasing our revenues.

Mr. Baxter: Please read that letter into the record, Mr. Powell.

Mr. Powell read the letter referred to as follows:

"Personal. WASHINGTON, *January* 5, 1903.

"Mr. McClung:

"Mr. Niel:

"RATE ADJUSTMENT.—General Advance in Rates.

1120 "The papers have announced from time to time recently that there will be a general advance in rates.

"It is not our purpose to make such a general advance, but we have under consideration advancing the rates on lumber and pig iron. It is undoubtedly a fact that the expense of operating have increased so greatly that while our gross receipts have largely increased, the net receipts for some months show a decrease.

"This is unreasonable and we are justified in taking steps to change these conditions.

"Certain commodity rates now in effect were put in to meet special conditions which may not now exist and we may be justified in advancing some of these figures to a more reasonable basis.

"I wish you would go over the tariffs generally and see what, in your judgment, may be done to increase our revenue.

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"We should be careful not to create the impression that we intend to make a horizontal advance."

(Signed) T. C. POWELL.

1121 Mr. Baxter: Now, return to the St. Augustine meeting.

Mr. Powell: At that meeting there were present a number of representatives of other lines, and I took it upon myself to discuss with those lines (for the most part individually) the lumber situation. In doing so I made the statement that I was confident from what I heard that the Arkansas lines were prepared to make an advance, and in discussing the situation with the traffic manager of the Frisco—a line operating both east and west of the river and handling large quantities of lumber, not only originating west of the river, but as a connection of the western lines through Thebes, a station above Cairo—I was advised that in a conversation he had had with same western roads, they had expressed themselves as desirous of securing more money on the lumber business. A further conference followed on January 29th, and subsequently in New Orleans on January 30th. The meeting in New Orleans was not called for that special purpose. There was another meeting in that city, and I took the opportunity of bringing the matter up again to see if the other lines had developed any further information as to the general lumber situation. A meeting was then held in St. Louis

1122 at which the rates were again discussed. The only doubt in my mind was whether the Arkansas lines had decided to advance one cent or two cents per hundred pounds. They had in the beginning expressed themselves as in favor of advancing the rates two cents, and subsequent discussion with them developed that they were still of that mind.

Following the several meetings referred to, I discussed the matter again with our own people and we decided that we would advance the rates two cents per hundred pounds and on February 4th gave notice that the rates would be advanced on March 1st. The meeting in Atlanta on February 24th, with the Georgia saw-mill men was not attended by me personally.

Com'r Prouty: Have not these subsequent matters been stated by Mr. Green?

Mr. Powell: Yes, I wanted to bring it up to the point where my personal attendance ceased. The meeting of February 24th was not attended by me, but the subsequent meeting of April 9th was.

Com'r Prouty: Where was that?

Mr. Powell: In Atlanta. In the interval the rates had

1123 been, as you know, withheld from publication, and the Georgia saw-mill men asked for a further conference. In our endeavor to make it as convenient for them as possible we met April 9th. There were several representatives there, the railroads all being authoritatively represented, and subsequent to that conference—at

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which time I said I would consider their suggestion—I notified Mr. Tift, as chairman, that the Southern railway would advance the rates, effective April 15th. I am mistaken in saying that the rates were withheld from publication during that interval. It was subsequent to that that they were withheld.

Mr. Baxter: Mr. Powell, I will ask you to state your opinion as to whether the present rates on lumber from Georgia and Florida points to points on and north of the Ohio river are reasonable or unreasonable and give your reasons for any opinion you may express.

Mr. Powell: In my opinion the rates on lumber from Georgia points to the Ohio river and beyond are reasonable rates, principally for the reason that they have, according to my observation, permitted a free entrance of Georgia lumber into the territory north of the Ohio river in competition with all other lumber. It has
1124 been shown that the rates per mile for the distances involved are not higher than in other sections and from other sections to the same consuming territory, and furthermore the rates are actually in line with the requests that were made from time to time through a series of years by the saw-mill men themselves, who represented to us that with an opportunity to meet Arkansas competition, they could market their entire product. The fact that they have for months, if not years, been calling on us to supply cars beyond our capacity or the capacity of our connections to furnish those cars is an indication that they have at least been able to secure order up to the capacity of the transportation lines, if not up to the capacity of their own mills.

Mr. Baxter: Mr. Powell, I wish you would explain why it was that the rates from Georgia points to Cincinnati were not reduced at the same time that the rates from Georgia points to Cairo were reduced?

Mr. Powell: Simply because the adjustment of rates from Georgia, Alabama and Mississippi to the Ohio river, which was fixed in 1893, was the result of a compromise, and, as I previously stated, the rate from Georgia to Cincinnati was made not lower than the rate
1125 from Mississippi to St. Louis.

Com'r Prouty: Now on that point, I see in a paper you have put in here that the rate from Lumber City is 23 cents to Cincinnati and 20 cents to St. Louis. Is that rate lower to St. Louis than to Cincinnati?

Mr. Powell: Yes, sir. I should explain a point there. Ten or fifteen years ago it was the effort of the lines originating lumber to confine the movement to their long hauls almost exclusively. The Q. & C. did not permit lumber to move to St. Louis if it could be avoided. They insisted on carrying it to Cincinnati. Since that time the Southern railway has taken the position that as far as possible, to the extent of our ability to do so, we would put the producers on our line and connections into the territories to which they

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could ship their business, whether lumber or other business; so that while we have advanced the Cincinnati rate, we have been compelled to make a rate to St. Louis to meet the Arkansas competition. Some of the Georgia lines have made the rate to St. Louis the same as to Cincinnati.

Mr. Baxter: Mr. Powell, have you caused to be prepared a comparative statement of commercial lumber from Southern
1126 Railway stations south of Macon, destined to Ohio River crossings and points north thereof on and west of the Buffalo-Pittsburg zone and east of the Mississippi river.

Mr. Powell: Yes, sir. This statement represents the movement of commercial lumber for four months of 1902 compared with four months of 1903, coming to us from stations on our own line south of Macon, or from connections south of Macon. I did not include in this statement lumber from connections at Macon, assuming that those lines originating the lumber would furnish a more complete statement of their total movement. This shows that the movement for 1903 during each month exceeded the movement for the corresponding month of 1902. I will file that as Exhibit No. 14.

(The same is hereto attached and marked "Exhibit No. 14.")

Mr. Ellis: What months were those in 1903?

Mr. Powell: June, July, August and September, 1903. I could not give October. It is not completed.

Com'r Prouty: In this connection, Mr. Powell, I wish you would furnish a statement for the month of October for the years 1901, 1902 and 1903.

Mr. Powell: That will be Exhibit No. 15—or I will make it part of this, No. 14.

1127 Com'r Prouty: That would be better, perhaps.

Mr. Ellis: Might we ask that Mr. Powell include in that the origin and destination of those shipments?

Mr. Boatright: I think when he refers to connections south of Macon he refers to connections not represented in this case and possibly not roads taking Group 1 rates. Our contention is that the amount of lumber moving from Group 1 and that takes Group 1 rates is very limited. If there is something which takes a higher rate, that should not enter.

Mr. Powell: That will take a great deal longer to compile, because this was compiled since I have been here, under my direction, by our agent at Macon. He personally compiled the statement and is prepared to certify that the figures are accurate.

Com'r Prouty: I think you may continue it in the same form.

Mr. Boatright: Could it be shown what proportion of it originates on the Southern proper?

Com'r Prouty: That does show what originates on the Southern railway proper and what is received from its connections in

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two separate items. A very small proportion originates on
1128 the Southern—only 3 or 4 cars a month as against perhaps 200 cars received from connections.

Mr. Baxter: Mr. Powell, have you compiled the distances between the points mentioned on the sheet now handed you (handing paper to witness), and if so, please read them into the record.

Mr. Powell: Jackson to Laurel, Miss., 90 miles; Jackson to Hattiesburg, Miss., 90 miles; Jackson to Gulfport, Miss., 160 miles; Jackson to Lumberton, 132 miles.

Mr. Baxter: What State is Lumberton in?

Mr. Powell: Mississippi. All those mileages are via the Gulf & Ship Island railroad. Meridian to Laurel, Miss., 56 miles; Meridian to Hattiesburg, Miss., 85 miles; Meridian to Lumberton, Miss., 112 miles; Meridian to Poplarville, Miss., 125 miles. Those mileages are via the New Orleans & Northeastern road. Meridian to Mobile by the Mobile & Ohio 135 miles. Jackson to McComb City, Miss., 78 miles; Jackson to New Orleans, La., 183 miles. Those are Illinois Central distances. Macon, Ga., to Mineola, Ga., 144 miles; Macon to Valdosta, Ga., 151 miles; Macon, Ga., to Palatka, Fla., 285 miles. Those distances are via the Georgia Southern & Florida.

To Cairo from Jackson, Miss., by the Illinois Central, 365
1129 miles; from Meridian, Miss., by the Mobile & Ohio, 357 miles; from Macon, Ga., via the short line, 578 miles. To Cincinnati, Ohio, from Macon, Georgia, via the short line, 562 miles; from Meridian, Miss., via the Queen & Crescent, 631 miles; and from Jackson, Miss., by the short line, 679 miles.

Mr. Baxter: It appears in testimony that at one time the rate on lumber in flat cars was 3 cents and at one time even 7 cents higher than the rate on lumber in box cars between the same points. Why was that difference made?

Mr. Powell: It was my understanding that the difference in rates on flat cars and box cars was made to compensate for the extra cost of handling the flat cars and to reduce the number of flat cars used for that purpose as much as possible and induce the use of the box cars.

Mr. Baxter: Why was not a similar difference made in other traffic hauled in flat cars?

Mr. Powell: Because the same conditions could not apply. A box car could be used for grain, but a flat car could not be used for grain. The general merchandise could be handled in box cars, but not in flat cars, and there is no similar commodity handled
1130 under similar conditions which put upon the railroads the necessity for handling the empty equipment such a long distance. The only traffic that could be allied to it at all would be ore, which moves in gondola cars short distances, and coal, which is handled in gondola cars and is also moved short distances compared with lumber, although longer distances than ore.

Mr. Baxter: Why was the difference in favor of box cars abolished in 1894?

Com'r Prouty: I think he has already explained that very fully.

Mr. Powell: That was done in competition with Arkansas.

Mr. Baxter: Take the witness, gentlemen.

Cross-examination:

Mr. Boatright: Mr. Powell, what would have been the objection to allowing the Chattanooga rate formerly existing to stand so that the Buffalo-Pittsburg territory would have had its rates made 2 cents lower than through Cincinnati? That would have been the effect, would it not, that the rates would have been 2 cents less to that territory than they now are basing on Cincinnati?

Mr. Powell: Yes, sir; it would have been the effect. In
1131 other words, the rate to Chattanooga and the rate from Chattanooga to Pittsburg in some cases—I do not think in all cases—makes lower than the Cincinnati combination rate. The objection to that was that the rate from Chattanooga to Pittsburg is made on a character of lumber entirely different from the long-leaf yellow pine. The Chattanooga rate is made the same as from Nashville, both Chattanooga and Nashville receiving a large number of poplar logs and other light woods by river, and it was necessary to make a special adjustment from Chattanooga different from the adjustment in the long-leaf yellow-pine district. When we found that that rate which was put into effect for certain reasons which seemed good to us, affecting the general adjustment of rates on long-leaf yellow pine, from other points, we advanced the rates from Georgia points to Chattanooga. It was what might be called an unnatural combination. It was based on market conditions.

Mr. Boatright: The special rate you refer to from Chattanooga to Pittsburg, is not that applicable on poplar and hardwoods, very much more valuable lumber than yellow pine?

1132 Mr. Powell: No it is not applicable on what are called hardwoods generally, that is, walnut and cherry, but when that rate was put into effect, poplar was of considerably less value than it is at the present time and for years the Chattanooga rate has been kept on an exact parity with the Nashville rate to that particular territory, and as the river competition from Nashville prevents an advance in the Nashville rate, it has been necessary to maintain that rate from Chattanooga.

Mr. Boatright: Would the lines west of the Mississippi river have had any just ground of complaint if the Buffalo-Pittsburg rates had not been increased and had been allowed to make through Chattanooga?

Mr. Powell: Yes, sir; I think they would have had just grounds

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for complaint, because we were representing in our tariffs that the combination to Pittsburg was the lowest combination on the Ohio river or Virginia cities, and for us to introduce an interior combination point would have been attempting to reduce the rates secretly.

Mr. Boatright: Is it or not a fact that there is now a com-
1133 bination through Shenandoah Junction that cuts the present rate, basing on Cincinnati, 2 cents?

Mr. Powell: There is a combination, so far as we are concerned on Alexandria, using from our stations between Macon and Brunswick to Alexandria the rate of 22 cents and beyond that the proportional rate of 10 cents. I believe we publish 32 cents from that division of our road to Pittsburg. I am not sure whether the same combination is made by Shenandoah Junction.

Mr. Boatright: You stated on direct examination that notwithstanding the increase in your lumber there was at the same time a decrease in profits from that traffic—I do not mean as a total, but a decreasing percentage.

Mr. Powell: I did not say "profits." I said that the percentage of earnings from lumber did not increase in the same proportion as the percentage of tonnage on lumber.

Mr. Boatright: That is what I was trying to get at. Would not that indicate that your line is being compelled to reach out farther and farther and paying divisions to one or more lines before the traffic reaches your line, to a greater extent than in previous years?

1134 Mr. Powell: No, sir; because the comparison I gave was on lumber from connecting lines in both cases.

Mr. Boatright: If it passes over two lines before reaching your line, would not that reduce your proportion?

Mr. Powell: I cannot say unless I have the exact points. We have lumber from Alabama and some from Georgia. I took connecting lines because I thought that a better representation. The lumber originating on the Southern railway in North Carolina is very heavy in tonnage.

Mr. Boatright: Would you receive more or less, Mr. Powell, if lumber reached your line at Macon when it originated on the Nashville & Sparks railroad or if it originated on the Georgia Southern & Florida in Group 1? The Nashville & Sparks gets, I believe, 2 cents, and their rate is 1 cent higher than Group 1. Does the G. S. & F. pay the whole of that 1 cent, or does your road pay part of it?

Mr. Powell: I do not recollect. I am willing to give you a statement of the divisions.

Mr. Boatright: I suppose the general proposition applies
1135 that the farther you go after it the less you get for similar service?

Mr. Powell: You know that the farther you haul traffic, as a

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general thing, the less rate per mile applies. If we were to take any other position, we would say that on business from the G. S. & F. at Macon we would have to be allowed the same revenue as from Lumber City—if we take the position that all lumber from connecting lines must pay us the same gross revenue as that which we originate.

Mr. Boatright: How do you account for the fact that notwithstanding the increase in tonnage on lumber handled there is not a corresponding increase in the percentage of profit? How do you account for it?

Mr. Powell: I account for it by the fact that the proportion of higher grade traffic that we were handling in other classes increased our revenue, whereas the lumber did not bear the proper burden compared with the tonnage on lumber. Suppose we recognize that the Southern railway tonnage on lumber is generally 15 per cent. of the total tonnage, and that under normal conditions our revenue based on that should be about 10 per cent of our total revenue. If we find that the tonnage on lumber goes up to 17 per cent.
1136 and our revenue on lumber falls below the same relation, then we say that other traffic is bearing a greater burden of the expense of maintaining the Southern railway than lumber, and the proper thing is to advance the lumber rates. That was certainly the course of reasoning I followed out in this particular case.

Mr. Boatright: Can you conveniently file as an exhibit to your evidence in this case the tax value on the Southern railway property in the yellow-pine producing States? The returns as made are the basis on which it pays taxes.

Mr. Powell: I thought all those tax valuations had been already filed.

Com'r Prouty: I think not by your company, Mr. Powell.

Mr. Boatright: Just take it in Georgia—that will be sufficient, with the mileage likewise.

Mr. Powell: The valuation of the Southern railway in Georgia for the purpose of taxation and the mileage in Georgia?

Mr. Boatright: Yes, sir; in the years 1902 and 1903.

Mr. Powell: Fiscal or calendar?

Mr. Boatright: That is made by calendar years, I guess.

1137 Mr. Powell: You will have to wait until the end of this year.

Mr. Boatright: Well, take the fiscal years.

Com'r Prouty: Do you want the return that the Southern makes, or the valuation finally fixed?

Mr. Boatright: The valuation finally fixed by the comptroller general.

Com'r Prouty: How would that indicate the value of the property?

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Mr. Boatright: It would be a valuation from the most independent source we have.

Com'r Prouty: The value they put on the property would be an admission, but the fact that some independent party assessed this property would not be——

Mr. Boatright: Well, take the value at which it was returned.

Com'r Prouty: That is the estimate that that company put upon its own property—if there is any such law, and I am told there is, for a company to make a return and estimate the value of their property for taxation.

(The same is hereto annexed and marked Exhibit "No. 15
1138 to Mr. Powell's testimony.")

Mr. Boatright: You stated that notwithstanding the rates charged there had been a demand for cars for lumber in excess of your ability to fill them. Has that been the case to such a great extent since the inauguration of this increase of 2 cents—since it went into effect?

Mr. Powell: It has been the case to such an extent that we are about 900 cars a day short on our entire line. That was the record when I left home. That is a week ago.

Mr. Boatright: That is taking into consideration the entire movement of lumber, coastwise, eastern and western?

Mr. Powell: That takes in everything. I suppose we have a comparatively small amount coastwise.

Mr. Boatright: Then, in very great measure you supply cars to the whole Georgia pine section, do you not, perhaps more than any other one road?

Mr. Powell: Well, we make an effort to supply cars to the extent of our ability and the ability of our connections. The northern lines furnish considerable equipment which we have to haul down empty.

1139 Mr. Boatright: That is all.

Mr. Ellis: Mr. Powell, is there such a thing existing between these railroads in this territory as a pool of tonnage?

Mr. Powell: No, sir.

Mr. Ellis: Is it not true that these competing lines of railroad have gotten up this declaration as to uniform rates on lumber—that they have declared on the subject of a pool of tonnage, say, on cotton?

Mr. Powell: No, sir. In the first place, we have not a declaration as to uniform rates. We have a declaration as to our rates on lumber. We have no declaration as to pooling cotton or anything else.

Mr. Ellis: Was there any such an arrangement last year?

Mr. Powell: No, sir.

Mr. Ellis: Was there not such an arrangement that a man could

get out a bill of lading for cotton and could ship by the Southern railway and it would go by way of the Central?

Mr. Powell: Not if we could help it.

1140 Mr. Ellis: Was there not an arrangement in existence by these railroads that no matter what the contract with the shipper was the railroads undertook to carry it at their convenience by any route?

Mr. Powell: You are familiar with the discussions on that two or three years ago. Since that time we have not carried out any division of tonnage.

Mr. Ellis: The fact is that they had at one time a division of freight, did they not?

Mr. Powell: My dear sir, if you go back far enough there was a penalty if the freight was not divided.

Mr. Ellis: And that division of tonnage has stopped now?

Mr. Powell: Absolutely.

Mr. Ellis: Was the division on that line abandoned at the time they began these declarations, or was it before?

Mr. Powell: I do not quite understand that question.

Mr. Ellis: I understand you gentlemen on that side of the question to say, that these uniform actions are made by individual declarations. To illustrate, if Judge Baxter and Mr. Boatright wanted to leave Atlanta at midnight, instead of agreeing to

1141 go at midnight I would go to you and declare, I will leave at midnight, and he comes up and files a declaration that he will go at midnight, and Mr. Boatright comes up and declares that he will go at midnight. Is it as individuals——

Mr. Powell: I might go down to the depot and not find one of you there.

Mr. Ellis: Don't we all agree there you would conclude that I was the head of combination would you not?

Mr. Powell: I would not be [illegible]

Mr. Ellis: Suppose I [illegible]

1142 nation——or I omit it you omit to be individually twenty separate times.

Mr. Ellis: Now I understand you to say that you were the original party to this movement, your road?

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Mr. Powell: I said I believed the Southern railway had as much to do with initiating that as any one.

Mr. Ellis: In this discussion you had on this subject, was it not talked between you that times were good, that the lumber people were making lots of money out of their business and that there ought to be a division of prosperity with the carrying lines?

Mr. Powell: I do not think those expressions were used at this particular time. There has been a great deal said from time to time that business was good and lumbermen were making a great deal of money, and in connection with the general traffic of the country it has been said that the transportation lines should participate in the prosperity and should not be called upon to pay more for everything they purchased and get the same rates that were in effect during the panic period of 1895, 1896 and 1897; but I do not recall that those expressions were used at this particular time.

1143 Mr. Ellis: Well, now, if the rate just preceeding this last raise had been in effect 4 or 5 years and the lumbermen and railroad men had been reasonably prosperous under it, was there any necessity to advance the rates under that view of the situation?

Mr. Powell: If the railroads had been reasonably prosperous, I do not suppose there would have been. But unfortunately I found that our line was not prosperous. We were losing money. Our net revenue was less than the year before and something had to be done to change that condition.

Mr. Ellis: Has not your line been constantly extending its field of acquisition of other lines in late years?

Mr. Powell: I think the last road we took over was the South Carolina & Georgia extension, July 1st, 1902.

Mr. Ellis: When did you acquire this little railroad that runs out from Macon in a northwestern direction, one that was conspicuous for not having made enough money to maintain itself?

Mr. Powell: You mean the Augusta Southern?

Mr. Ellis: The Macon & Birmingham?

1144 Mr. Powell: So far as I have anything to do with the traffic, I have no connection with the Macon & Birmingham.

Mr. Ellis: That is part of the Southern system.

Mr. Powell: It is not so regarded. I do not know about its financial condition.

Mr. Ellis: Does not its financial condition enter into these calculations?

Mr. Powell: Not at all.

Mr. Ellis: Does the Atlanta & Florida?

Mr. Powell: Not at all—nothing but what appears as Southern railway property.

Mr. Ellis: I did not know whether that was operated by the Southern railway or by the Florida. Is it kept separate?

Mr. Powell: You mean the old Fort Valley branch?

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Mr. Ellis: Yes, sir.

Mr. Powell: Oh, yes, that is Southern railway. Only those lines included in the Southern railway report are included in our statements.

Mr. Ellis: Well, now, that road does not carry any lumber, does it—just approximate it?

1145 Mr. Powell (referring to papers): I cannot approximate it. I want to see whether they do or not. Yes, there are some lumber mills down there.

Mr. Ellis: Does the lumber move west?

Mr. Powell: I do not know.

Mr. Ellis: Well, file a statement in reference to that if you find it does move—how much and to what points.

Mr. Powell: Well, what is the extent of that statement?

Mr. Ellis: I believe it has been admitted that there is no movement of lumber north of Macon.

Mr. Powell: You want the movement of lumber from the old A. & F. railroad for what period and to what territories?

Mr. Ellis: Well, I think it is practically in. Never mind about that.

Mr. Powell: You do not want that statement?

Mr. Ellis: No, sir. Does any lumber move from this territory in controversy down here to St. Louis?

Mr. Powell: Yes, sir; from time to time large quantities move there—either to St. Louis or the immediate vicinity of St. Louis, like Mt. Vernon.

1146 Mr. Ellis: How about these rates in North Carolina? Have they been raised?

Mr. Powell: Yes, sir.

Mr. Ellis: When was that raise put into effect?

Mr. Powell: About a year ago.

Mr. Ellis: Was the raise in rates there made previous to this raise in this territory?

Mr. Powell: It was entirely independent. It had nothing to do with this section. They do not compete, so far as we are concerned.

Mr. Ellis: Have the rates been raised to Pittsburg from Fayetteville, North Carolina?

Mr. Powell: Fayetteville is not on our line.

Mr. Ellis: Well, from a place called Rennert?

Mr. Powell: I do not recognize it. I do not think it is on the Southern.

Mr. Ellis: Does your road reach Norfolk, Virginia.

Mr. Powell: Yes, sir.

Mr. Ellis: Do you transport any freight from Norfolk, Virginia, to Harrisburg, Pennsylvania?

Mr. Powell: No, sir; we do not. Our line would be too round-

ID CLOSE IN CENTER BOOK TOO LARGE FOR FILM

about. Most of the Norfolk lumber to Pennsylvania goes by
1147 the N. Y., P. & N. railroad.

Mr. Ellis: Do you know anything about a raise there?

Mr. Powell: No, sir.

Mr. Ellis: Whether I am correct or not, I make this statement from what some of the gentlemen have testified on your side: We have understood that one of the reasons for putting in a low rate to Cairo, lower than Cincinnati, and the main reason was to open up a large field of territory in which the product from this country in that section was competitive. Is that your opinion?

Mr. Powell: I do not understand that. I will have to ask the stenographer to repeat that question.

(The question was repeated by the stenographer.)

Mr. Powell: The rate to Cairo as a basing rate for beyond has no relation to the rate to Cincinnati. The Cincinnati rate was established and was entirely satisfactory to the shippers. We reduced the Cairo rate as a basing rate to open up the western territory in competition with Mississippi, Louisiana and Arkansas.

Mr. Ellis: Did I understand properly when I understood you to say that you had been applied to by Georgia shippers
1148 to reduce that Cairo rate?

Mr. Powell: I do not think they actually referred to the Cairo rate as a basing rate, or brought the Cairo rate in except as it had relation to the northern territory. The effect was that we reduced rates from Georgia to permit them to compete. That was brought about in our own way by reducing the Cairo rate.

Mr. Ellis: I understood you to say that there was a request for these reductions via Cairo. You did not say that?

Mr. Powell: No. I say they made a request for a reduction in rates north of the river and in order to bring that about and put them on a parity with Arkansas, we reduced the Cairo rate, as we thought that was the best way to bring it about.

Mr. Ellis: The basing rate to Cairo makes all these people in this territory take Cairo's basing line?

Mr. Powell: You understand that when I attempted to give a history of the lumber rates, the first reduction was not to the extent——

Mr. Ellis: I will withdraw that. I do not want you to go
1149 over it again.

Mr. Powell: The first reduction made was a reduction to points north of the river absolutely, without regard to Cairo. It was in answer to the request for relief in that section.

Mr. Ellis: That is all.

Mr. Baxter: The defendant rests his testimony-in-chief.

MING – POSSIBLE BLURRED PAGES

1149-1

Exhibit No. 1—T. C. Powell.

(Sheet No. 1.)

(See p. 1114, Testimony.)

Grain and Grain Products, Car-loads.

From—	To Virginia common points.						
	1.	2.	3.	4.	5.	6.	7.
Chicago.....Ills....	15	17	14.5	2.5	17	½	3.4
Cincinnati.....O.	12.5	14.5	12	2.5	21	½	4.2
Louisville.....Ky....	12.5	14.5	12	2.5	21	½	4.2
East St. Louis .....Ills....	18	20	17.5	2.5	14	½	2.8
Evansville.... .....Ind....	17	19	16	3	20	1	6.2

1. Present rates, effective May 11, 1903.
2. Effective December 8, 1902.
3. Prior to December 8, 1902.
4. First advance, in cents.
5. Percentage of first advance.
6. Advance in present rates over December 7, 1902.
7. Percentage of increase over December 7, 1902.

Present tariff B-1699, I. C. C. 169, Asheville line.
Issued May 11, 1903.
Effective May 23, 1903.
Notice has already been given of advance effective November 1, 1903, to figures of December 8, 1902, as per Southern Ry. Tariff B-3374-5, (I. C. C. 194 and Supplement 1, Asheville line).

1149-2

Sheet No. 2.

(See p. 1114.)

Grain and Grain Products, Car-loads.

From—	To— Richmond.....Va. / Lynchburg.....Va. / Petersburg.....Va. } When for Carolina territory.						
	1.	2.	3.	4.	5.	6.	7.
Cincinnati.....O.. / Louisville.....Ky. }	10	11	9½	1½	16	½	5.3⅓

CLOSE IN CENTER BOOK TOO LARGE FOR FILM

1. Present basing rate effective June 4, 1903.
2. Rate effective Jan. 1, 1903.
3. Basing rate prior to Jan. 1, 1903.
4. First advance, in cents.
5. Percentage of first advance.
6. Advance over Dec. 31, 1902, rate now in effect.
7. Percentage of increase over Dec. 31, 1902.

Rates from Chicago, East St. Louis and Evansville made differentials above Louisville.

(These rates are not published in a tariff, but in a "basis." The tariff covering present rates to Carolina territory is Southern Ry. Tariff B-3463, I. C. C. 7932, issued Oct. 17, 1903, effective Nov. 1, 1903.)

1149-3 **Exhibit No. 2—T. C. Powell.**

Sheet No. 1.

(See p. 1114.)

Lumber, Carolina Territory to Virginia and Eastern Cities, Car-loads, 30,000 Pounds Minimum, in Cents per 100 Lbs.

From—	To Richmond and West Point, Va.			
	Present rate.	Prior rate.	Advance in cents.	Percentage of increase.
Charleston div.:				
Singleton to Branchville, inclusive. ...	15.5	14.5	1	7 %
Savannah div.:				
Barton to Tilliman, inclusive.....	16	13	3	23
Lumber issue 3340, amendment 28 to I. C. C. 5150. Issued Jan. 26, 1903, effective Feb. 9, 1903.				
Knoxville div.:				
Hot Springs to Asheville, inclusive.....	14.5	14	½	3
Savannah div.:				
Spartanburg Jct. to Taylors, inclusive..	14.5	14	½	3

Lumber issue 3630, I. C. C. 7937.
Issued October 9, 1903, effective Oct. 15, 1903.

1149–4

Sheet No. 2.

Lumber, Carolina Territory to Virginia and Eastern Cities, Car-loads, 30,000 Lbs. Minimum, in Cents per 100 Lbs.

From—	To Lynchburg, Petersburg, Norfolk, and Group.			
	Present rate.	Prior rate.	Advance in cents.	Percentage of increase.
Charleston div.:				
Singleton to Branchville, inclusive.....	14.5	13.5	1	7.4
Savannah div.:				
Barton to Tillman, inclusive.....	15	13	2	15
Lumber issue 3340, amendment 28 to I. C. C. 5150.				
Issued Jan. 26, 1903, effective Feb. 9, 1903.				
Knoxville div.:				
Hot Springs to Asheville, inclusive. ..	14.5	14	½	3
Savannah div.:				
Spartanburg Jct. to Taylors, inclusive.	14.5	14	½	3

Lumber issue 3630, I. C. C. 7937.
Issued October 9, 1903, effective Oct. 15, 1903.

1149–5

Sheet No. 3.

Rates on Lumber, Car-loads, Minimum 30,000 Pounds, in Cents per 100 Lbs.

From—	To Group No. 4.				To Group No. 9.			
	1.	2.	3.	4.	1.	2.	3.	4.
Knoxville div.:								
Hot Springs to Asheville, inclusive	25.5	24.5	1	4%	30.5	29.5	1	3.5%
Savannah div.:								
Spartanburg Jct. to Taylors, inclusive	25.5	25	½	2	30.5	30	½	1.3
Asheville div.:								
Conover to Valdese, inclusive ...	25	24.5	½	2	30	29.5	½	1.7
Drexel to Azalea, inclusive	25	24.5	½	2	30	29.5	½	1.7
Murphy Branch	25.5	24.5	1	4	30.5	29.5	1	3.5

1. Present rates.
2. Prior rates.
3. Advance, in cents.
4. Percentage of increase.

Lumber issue 3728, amendment 46 to I. C. C. 5923, issued Aug. 17, 1903, effective Sept. 1, 1903.

NOTE.—Rate to other groups shown in I. C. C. 5923 correspondingly advanced.

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1149-6 Sheet No. 4.

Rates on Lumber, Car-loads, Minimum 30,000 Pounds, in Cents per 100 Pounds.

From—	To Philadelphia, Pa. (Water competition.)				To New York, N. Y. (Water competition.)			
	1.	2.	3	4.	1.	2.	3.	4.
Knoxville div.:								
Hot Springs to Asheville, inclusive	22.5	21.5	1	4.5%	26.5	24.5	2	8.5
Savannah div.:								
Spartanburg Jct. to Taylors, inclusive	22.5	22	½	2.3	26.5	26	½	2
Asheville div.:								
Conover to Valdese, inclusive	22	21.5	½	2.3	26	24.5	1.5	6
Drexel to Azalea, inclusive	22	21.5	½	2.3	26	24.5	1.5	6
Murphy Branch	22.5	21.5	1	4.5	26.5	24.5	2	8.5

1. Present rates.
2. Prior rates.
3. Advance, in cents.
4. Percentage of increase.

Lumber issue 3736, amendment 17 to I. C. C. 6751.
Effective Aug. 21-'03.

1149-7 **Exhibit No. 3—T. C. Powell.**

(See p. 114.)

Cotton Piece Goods.

To—	From—	Present rate.	Rate prior to advance.	Advance in cts.	Percentage of advance.
Eagle Pass, El Paso, Laredo	Virginia cities	176	168	8	4.7%
	Mill points in South Carolina and Georgia, as per tariff.	145	136	9	6.6
Texas common points	Virginia cities	164	156	8	5.1
	Mill points in South Carolina and Georgia, as per tariff.	133	124	9	7.3

Laredo tariff B-987, I. C. C. 7328.
Issued March 21, 1903.
Effective March 26, 1903.
Texas common points tariff, B-3027, I. C. C. 7815.
Issued Sept. 22, 1903.
Effective Sept. 27, 1903.

MING — POSSIBLE BLURRED PAGES

1149-8

Exhibit No. 4.

(See p. 1115.)

Cotton-seed Products, Except Oil, Car-loads, per 100 Pounds.

To—	From Jackson, Miss.				From Vicksburg, Miss.				From Indianola, Miss., Greenwood, Miss., West Point, Miss., Winona, Miss., Columbus, Miss.			
	1.	2.	3.	4.	1.	2.	3.	4.	1.	2.	3.	4.
Albany.....N. Y..	33.5	32.5	1	3%	33	23.5	9.5	40%	29	28.5	.5	2%
Baltimore.....Md....	31.5	31.5	..	....	31	31	....	.....	27	26.5	.5	2
Boston.....Mass..	36.5	36.5	.	.	36	36	.. .	.....	32	31.5	.5	1.6
Buffalo .....N. Y..	27.5	27	.5	2	27	27.5	....	....	23	22.5	.5	2.2
Cohoes .....N. Y..	33.5	32.5	1	3	33	32.5	.5	1.5	29	28.5	.5	1.7
New York ...N. Y..	34.5	34.5	....	...	34	34	.....	.....	30	29.5	.5	1.8
Philadelphia..Pa	32.5	32.5	.....	.....	32	32	.....	.....	28	27.5	.5	1.6
Providence ...R. I ..	36.5	35	1.5	4	36	35	1	3	32	31.5	.5	1.6
Schenectady...N. Y..	33.5	32.5	1	3	33	32.5	.5	1.5	29	28.5	.5	2
Syracuse .....N. Y..	31.5	30	1.5	5	31	30	1	3	27	26.5	.5	2
Utica .....N. Y..	32.5	31	1.5	5	32	31.5	.5	1.6	28	27.5	.5	1.8

1. Present rate.
2. Prior to advance.
3. Advance in cents per 100 pounds.
4. Percentage of increase.

Tariff B-1852, I. C. C. 7525.
Issued June 16, 1903.
Effective June 21, 1903.

1149-9

Exhibit No. 5—T. C. Powell.

(See p. 1115.)

Cotton-seed Oil, Car-loads, per 100 Pounds.

From— Augusta, Ga. (via rail and water), To—	1.	2.	3.	4.
Baltimore.....	18	17	1	6
Boston.....	21	21	....	....
New York.....	20	19	1	5
Philadelphia.....	20	19	1	5

Tariff B-808, amendment 56 to I. C. C. 5770.
Issued March 16, 1903.
Effective March 28, 1903.
1. Present rates.
2. Prior to advance.
3. Advance in cents.
4. Percentage of increase.

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1149-10 **Exhibit No. 6—T. C. Powell.**

(See p. 1115.)

Coke, Car-loads, per Ton 2,000 Lbs.

From— Birmingham, Alabama, To—	Present rates.	Rates prior to advance.	Advance in cents.	Percentage of increase.
Cincinnati, O	$2.65	$2.40	25	10 %
Louisville, Ky.	2.25	2.00	25	12½ %
Owensboro, Ky.				
Henderson, Ky.				
Evansville, Ind.	3.25	3.00	25	8⅓ %
St. Louis, Mo.				
East St. Louis, Ill.				

Tariff B-217, amendment 95 to I. C. C. 5810.
Issued Jan. 20, 1903.
Effective Feb. 1, 1903.
(Advance notice 10 to supplement 3 to Birmingham tariff No. 6.)

1149-11 **Exhibit No. "7-A"—T. C. Powell.**

(See p. 1115.)

Brick, Common, Pressed, Car-loads, 40,000 Lbs. Minimum, in Cents per Hundred Pounds.

From— Franklin, Lynchburg, Manchester, Norfolk, Petersburg, Pinners Point, Portsmouth, Richmond, Roanoke, Suffolk, West Norfolk, and West Point, Virginia, To—	Present rate.	Prior rate.	Advance in cts. per 100 lbs.	Percentage of increase.
Alabama City, Ala.	16	14	2	12.5
Albany, Ga.	16	14	2	12.5
Americus, Ga.	16	14	2	12.5
Anniston, Ala.	16	14	2	12.5
Asylum, Ga.	16	14	2	12.5
Athens, Ga.	16	14	2	12.5
Atlanta, Ga.	16	14	2	12.5
Attalla, Ala.	16	14	2	12.5
Augusta, Ga.	13	11	2	15.5
Avondale, Ala.	16	14	2	12.5
Bessemer, Ala.	16	14	2	12.5
Birmingham, Ala.	16	14	2	12.5

ING – POSSIBLE BLURRED PAGES

Exhibit No. "7-A"—T. C. Powell—Continued.

From— Franklin, Lynchburg, Manchester, Norfolk, Petersburg, Pinners Point, Portsmouth, Richmond, Roanoke, Suffolk, West Norfolk, and West Point, Virginia, To—	Present rate.	Prior rate.	Advance in cts. per 100 lbs.	Percentage of increase.
Cedartown ..... Ga....	16	14	2	12.5
Chattahoochee ..... Ga....	16	14	2	12.5
Chattanooga ..... Tenn..	16	14	2	12.5
Columbus ..... Ga....	16	14	2	12.5
Cordele ..... Ga....				
Dalton ..... Ga....				
Elberton ..... Ga....				
Ensley ..... Ga				
Fort Valley ..... Ala ...				
Gadsden ..... Ga....				
Gainesville ..... Ala ...				
Gate City ..... Ga....				
Griffin ..... Ala ...				
Hawkinsville ..... Ga...	16	14	2	12.5
Ironaton ..... Ga....				
Jenifer ..... Ala ...				
Knoxville ..... Ala ...				
Macon ..... Tenn..				
McDonough ..... Ga....				
Milledgeville ..... Ga....				
Montgomery ..... Ga....				
Moultrie ..... Ala ...				
1149-12 Munford ..... Ga....	19.8	*17.8	2	10.1
North Birmingham ..... Ala ...	16	14	2	12.5
North Rome ..... Ala ...				
Opelika ..... Ga ..				
Oxanna ..... Ala ...				
Oxford ..... Ala ...	16	14	2	12.5
Pratt City ..... Ala ...				
Prattville ..... Ala ...				
Prison Farm ..... Ala ..	18.5	16.5	2	10.8
Rome ..... Ga....				
Ruffner ..... Ga....				
Selma ..... Ala ...				
South Athens ..... Ala ...				
State Farm ..... Ga....	16	14	2	12.5
Talladega ..... Ala ...				
Thomas ..... Ala ...				
Valdosta ..... Ala ...				
Washington ..... Ga...	18	16	2	11.1
Wheeling ..... Ga....				
Woodlawn ..... Ala ...				
Woodward ..... Ala ...	16	14	2	12.5
Wylam ..... Ala ...				
..... Ala ...				

*Car-load minimum 24,000 pounds.

Present rate, rate issue B-144, amendment No. 87 to I. C. C. No. 5618.
Issued Jan. 17, 1903.
Effective Feb. 1, 1903.
Finis.

D CLOSE IN CENTER BOOK TOO LARGE FOR FILM

1149-13 **Exhibit No. "7-B"—T. C. Powell.**

(See p. 1115.)

Wrought-iron Pipe, Car-loads—Car-loads Minimum, 30,000 Pounds.

From— Franklin, Lynchburg, Manchester, Norfolk, Petersburg, Pinners Point, Portsmouth, Richmond, Roanoke, Suffolk, West Norfolk, and West Point, Va., To—	Present rate.	Prior rate.	Advance in cts. per 100 pounds.	Percentage of increase.
Alabama City, Ala	32	26	6	23.1 %
Albany, Ga	32	26	6	23.1
Americus, Ga	32	26	6	23.1
Anniston, Ala	32	26	6	23.1
Aragon, Ga	38	32	6	18.75
Asylum, Ga	31	25	6	24
Athens, Ga	31	25	6	24
Atlanta, Ga	31	25	6	24
Attalla, Ala	32	26	6	23.1
Augusta, Ga	25	19	6	31.6
Avondale, Ala	32	26	6	23.1
Bessemer, Ala	32	26	6	23.1
Birmingham, Ala	32	26	6	23.1
Calera, Ala	48	42	6	14.3
Cedartown, Ga	31	25	6	24
Chattahoochee (Fulton Co.), Ga	31	25	6	24
Chattanooga, Tenn	31	25	6	24
Childersburg, Ala	44	38	6	15.8
Columbiana, Ala	48	42	6	14.3
Columbus, Ga	32	26	6	23.1
Cordele, Ga	32	26	6	23.1
Dalton, Ga	31	25	6	24
Dawson, Ga	34	28	6	21.4
Dublin, Ga	31	25	6	24
Dukes, Ala	41	35	6	17.1
Ellerton, Ga	31	25	6	24
Ensley, Ala	32	26	6	23.1
Enfaula, Ala	32	26	6	23.1
Fort Gaines, Ga	41	26	15	57.7
Fort Valley, Ga	32	26	6	23.1
1149-14 Gadsden, Ala	32	26	6	23.1
Gainesville, Ga	31	25	6	24
Gate City, Ala	32	26	6	23.1
Griffin, Ga	32	26	6	23.1
Hawkinsville, Ga	31	25	6	24
Ironaton, Ala	32	26	6	23.1
Jenifer, Ala	32	26	6	23.1
Knoxville, Tenn	31	25	6	24
Macon, Ga	31	25	6	24
McDonough, Ga	32	26	6	23.1

MING – POSSIBLE BLURRED PAGES

Exhibit No. "7-B"—T. C. Powell—Continued.

From— Franklin, Lynchburg, Manchester, Norfolk, Petersburg, Pinners Point, Portsmouth, Richmond, Roanoke, Suffolk, West Norfolk, and West Point, Va., To—	Present rate.	Prior rate.	Advance in cts. per 100 pounds.	Percentage of increase.
Milledgeville....Ga....	31	25	6	24
Montgomery....Ala...	31	25	6	24
Munford....Ala...	32	26	6	23.1
Newnan....Ga....	31	25	6	24
North Birmingham....Ala...	32	26	6	23.1
North Rome....Ga..	31	25	6	24
Opelika....Ala...	31	25	6	24
Oxanna....Ala...	32	26	6	23.1
Oxford....Ala...	32	26	6	23.1
Pratt City....Ala...	32	26	6	23.1
Prison Farm....Ga..	31	25	6	24
Rockmart....Ga..	38	32	6	18.75
Rome....Ga....	31	25	6	24
Ruffner....Ala...	32	26	6	23.1
Selma....Ala....	31	25	6	24
Smithonia....Ga....	24	21	3	14.2
South Athens....Ga....	31	25	6	24
State Farm....Ga....	31	25	6	24
Sylacauga....Ala...	45	39	6	15.4
Talladega....Ala...	32	26	6	23.1
Thomas....Ala...	32	26	6	23.1
Thomaston....Ga....	41	35	6	17.1
Tifton....Ga....	32	30	2	6.6
Valdosta....Ga....	32	32	0	.....
Washington....Ga....	31	25	6	24
Wheeling....Ala...	32	26	6	23.1
Woodlawn....Ala...	32	26	6	23.1
Woodward....Ala...	32	26	6	23.1
Wylam....Ala...	32	26	6	23.1
Yatesville....Ga....	41	35	6	17.1

Present rates, rate issue B-1017, amendment No. 96 to I. C. C. No. 5618, issued March 27, 1903, effective April 1, 1903.

Finis.

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1149-15 **Exhibit 8-A—T. C. Powell.**

(See p. 1115, Testimony.)

Rates on Special Iron Articles, Car-loads.

To—	From—	1.	2.	3.	4.
Memphis, Tenn.	Boston, Mass	35	32	3	10%
	New York	35	32	3	10
	Philadelphia, Pa	33	30	3	10
	Baltimore, Md	32	29	3	10
Nashville, Tenn.	Boston, Mass	34	31	3	10%
	New York, N. Y	34	31	3	10
	Philadelphia, Pa	32	29	3	10
	Baltimore, Md	31	28	3	10

Tariff B-180, amendment 4 to I. C. C. 7022.
Issued Jan. 23, 1903.
Effective Jan. 17, 1903.

1. Present rates.
2. Prior to advance.
3. Advance in cents.
4. Percentage in increase.

MING – POSSIBLE BLURRED PAGES

1149-16 **Exhibit No. 8-B—T. C. Powell.**

(See p. 1115, Testimony.)

Brick, Car-loads, 50,000 Lbs. Minimum, per 100 Pounds.

From—		To Jacksonville, Fla.			
		1.	2.	3.	4.
Macon	Ga.	5	4	1	25
Tariff B-18, amendment 78 to I. C. C. 3866. Issued Jan. 14, 1903. Effective Jan. 19, 1903.					
Atlanta	Ga.	6	5	1	20
Tariff B-195, amendment 132 to I. C. C. 4085. Issued Feb. 21, 1903. Effective Jan. 19, 1903.					
Birmingham	Ala.	8	7¼	¾	10
Tariff B-1088, amendment 101 to I. C. C. 5810. Issued April 11, 1903. Effective April 23, 1903.					
Robbins (To Jacksonville, Fla., for beyond.)	Tenn.	10	9½	½	5

Tariff B-1321 (No. I. C. C. number, So. Ry. not initial).
Issued April 20, 1903.
Effective May 1, 1903.

1. Present rates.
2. Prior rates.
3. Advance (in cents per 100 lbs.).
4. Percentage of advance.

D CLOSE IN CENTER BOOK TOO LARGE FOR FILM

1149-17 **Exhibit 8-C—T. C. Powell.**

(See p. 1116, Testimony.)

Cement, Car-loads—Minimum Weight, 30,000 Pounds; per Ton, 2,000 Lbs.

From— / To—	Coplay, Pa., district.			
	1.	2.	3.	4.
Blocton .....Ala...	$7.18	$7.00	18	2.6%
Blocton Jct.....Ala...	7.08	6.90	18	2.6
Gurnee.....Ala...	7.38	7.20	18	2.5
Woodstock.....Ala...	7.08	6.90	18	2.6
Tariff A-32942. Issued December 25, 1902. Effective December 9, 1902.				
Lynchburg.....Va....	2.80	2.40	40	17
Charlottesville.....Va....	2.80	2.40	40	17

Tariff B-1384.
Issued April 29, 1903.
Effective April 29, 1903.

1. Present rates.
2. Prior rates.
3. Advance (in cents per ton).
4. Percentage of increase.

1149-18 **Exhibit No. 9—T. C. Powell.**

(See p. 1116, Testimony.)

Green Salted Hides, Car-loads, per 100 Pounds.

From— / To—	Cincinnati and Louisville.			
	1.	2.	3.	4.
North Carolina tannery points on the Southern Ry., Morganton, etc.....	25	23	2	8.7%

Chicago rate made on combination.
Tariff B-813, amendment 22 to I. C. C. 6557.
Issued March 10th, 1903.
Effective March 22nd, 1903.

1. Present rate.
2. Prior to advance.
3. Advance in rates per 100 lbs.
4. Percentage of increase.

MING – POSSIBLE BLURRED PAGES

1149–19

Exhibit No. 10—T. C. Powell.

(See p. 1116, Testimony.)

Dry Hides, Car-loads, per 100 Pounds.

From—	Cincinnati, Ohio, and Louisville, Ky.			
To—	1.	2.	3.	4.
North Carolina tannery points on the Southern Ry., (Morganton, etc.)	35	33	2	6.1

Chicago rates made on combination.
Tariff B-813, amendment 22, I. C. C. 6557.
Issued March 10, 1903.
Effective March 22nd, 1903.

1. Present rate.
2. Prior to advance.
3. Advance in rates per 100 lbs.
4. Percentage of increase.

1149–20

Exhibit No. 11—T. C. Powell.

(See p. 1116, Testimony.)

Furniture, Common, Taking Second Class, L. C. L., and Third Class, C. L., as per Southern Classification.

From—	High Point, N. C., and Group.							
	Present rate.		Former rate.		Advance in cents.		Percentage of increase.	
To—	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.
Boston, Mass., and points taking same rates	53	65	48	55	5	10	9.4	15.4
New York, N. Y., and points taking same rates	49	65	44	55	5	10	10.2	15.4
Philadelphia, Pa., and points taking same rates	49	65	44	55	5	10	10.2	15.4
Baltimore, Md., and points taking same rates	45	63	40	53	5	10	11.1	15.9
Allenport.....Pa.	51	68	45	57	6	11	11.8	16.2
Georgetown.....Del.	50	66	46	56	4	10	8	15.2
Hopewell.....N. J.	49	65	44	55	5	10	10.2	15.4
Ogdensburg.....N. Y.	57	80	51	63	6	17	19.5	21.3
Watertown.....N. Y.	57	80	51	63	6	17	10.5	21.3

Present rates: Rate issue No. B-1347, amendment No. 12 to I. C. C. No. 6032, issued April 29th, 1903; effective May 11, 1903.

D CLOSE IN CENTER BOOK TOO LARGE FOR FILM

1149-21 Sheet No. 2.

Furniture, Common, Taking Second Class, L. C. L., and Third Class, C. L., as per Southern Classification.

From—	South Boston, Virginia.							
	Present rate.		Former rate.		Advance in cts. per 100 lbs.		Percentage of increase.	
To—	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.
Boston, Mass., and points taking same rates	51	65	46	55	5	10	9.8	15.4
New York, N. Y., and points taking same rates	46	65	41	55	5	10	10.9	15.4
Philadelphia, Pa., and points taking same rates	46	65	41	55	5	10	10.9	15.4
Baltimore, Md., and points taking same rates	42	60	37	50	5	10	11.9	16.7
Allenport, Pa.	48	68	42	57	6	11	12.5	16.2
Georgetown, Del.	47	66	43	56	4	10	8.5	15.2
Hopewell, N. J.	46	65	41	55	5	10	10.9	15.4
Ogdensburg, N. Y.	54	80	48	63	6	17	11.1	21.3
Watertown, N. Y.	54	80	48	63	6	17	11.1	21.3

Present rates: Rate issue No. B-1347, amendment No. 12 to I. C. C. No. 6932, issued April 29th, 1903, effective May 11, 1903.

MING – POSSIBLE BLURRED PAGES

1149–22 Sheet No. 3.

Furniture, Common, Taking Second Class, L. C. L., and Third Class, C. L., as per Southern Classification.

From—	Chattanooga, Tenn.							
	Present rate.		Former rate.		Advance in cents.		Percentage of increase	
To—	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.
Boston, Mass., and points taking same rates	47	62	42	52	5	10	10.6	16.1
New York, N. Y., and points taking same rates	47	62	42	52	5	10	10.6	16.1
Philadelphia, Pa., and points taking same rates	45	60	40	50	5	10	11.1	16.7
Baltimore, Md., and points taking same rates	44	59	39	49	5	10	11.3	16.9
Georgetown.....Del.	53	69	48	59	5	10	9.4	14.5
Hopewell .. ..N. J.	47	62	42	52	5	10	10.6	16.1
Ogdensburg.....N. Y.	55	77	50	67	5	10	9.1	13
Watertown.....N. Y.	55	77	50	67	5	10	9.1	13

Present rates: Rate issue B–1340, amendment 59 to I. C. C. 5750, issued May 2, 1903, effective May 1, 1903.

Rate issue B–1341, amendment 6 to I. C. C. 7205, issued April 28, 1903, effective May 1, 1903.

1149-23

Sheet No. 4.

Furniture, Common, Taking Second Class, L. C. L., and Third Class, C. L., as per Southern Classification.

From—	Atlanta, Ga.							
	Present rate.		Former rate.		Advance in cents.		Percentage of increase.	
To—	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.
Boston, Mass., and points taking same rates.....	47	62	42	52	5	10	10.6	16.1
New York, N. Y., and points taking same rates..	47	62	42	52	5	10	10.6	16.1
Philadelphia, Pa., and points taking same rates..	47	62	42	52	5	10	10.6	16.1
Baltimore, Md., and points taking same rates.....	45	60	40	50	5	10	11.1	16.7
Georgetown.....Del....	64	81	59	71	5	10	7.8	12.3
Hopewell .....N. J....	56	72	51	62	5	10	8.9	13.9
Ogdensburg.....N. Y..	64	87	59	77	5	10	7.8	11.5
Watertown .....N. Y..	64	87	59	77	5	10	7.8	11.5

Present rates: Rate issue B-1340, amendment 59 to I. C. C. 5750, issued May 2, 1903, effective May 1, 1903.

Rate issue B-1341, amendment 6 to I. C. C. 7205, issued April 28, 1903, effective May 1, 1903.

1149-24 Sheet No. 5.

Furniture, Common, Taking Second Class, L. C. L., and Third Class, C. L., as per Southern Classification.

From—	Gadsden, Alabama.							
	Present rate.		Former rate.		Advance in cents.		Percentage of increase.	
To—	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.	C. L.	L. C. L.
Boston, Mass., and points taking same rates	47	62	42	52	5	10	10.6	16.1
New York, N. Y., and points taking same rates	47	62	42	52	5	10	10.6	16.1
Philadelphia, Pa., and points taking same rates	47	62	42	52	5	10	10.6	16.1
Baltimore, Md., and points taking same rates	45	60	40	50	5	10	11.1	16.7
Georgetown.....Del.	64	81	59	71	5	10	7.8	12.7
Hopewell .....N. J.	56	72	51	62	5	10	8.9	13.9
Ogdensburg.....N. Y.	64	87	59	77	5	10	7.8	11.5
Watertown .....N. Y.	64	87	59	77	5	10	7.8	11.5

Present rates: Rate issue B-1340, amendment 59 to I. C. C. 5750, issued May 2, 1903, effective May 1, 1903.
Rate issue B-1341, amendment 6 to I. C. C. 7205, issued April 28, 1903, effective May 1, 1903.

1149-25

Exhibit No. 12—T. C. Powell.

(See p. 1116, Testimony.)

Showing Rates on Glass Bottles, Common, Straight Car-loads, at Present in Effect from Louisville, Ky., to Principal Points.

1. Present rates.
2. Rates prior to May 30, 1903.
3. Advance in cents per 100 pounds.
4. Percentage of increase.

From— Louisville, Ky., To—	Glass bottles, common, straight car-loads, per 100 pounds.			
	1.	2.	3.	4.
Anniston.....Ala....	56	47	9	19
Athens.....Ga....	56	47	9	19
Atlanta.....Ga....	56	47	9	19
Augusta.....Ga....	56	47	9	19
Birmingham.....Ala....	40	33	7	21
Chattanooga.....Tenn..	40	33	7	21
Dalton.....Ga....	56	47	9	19
Macon.....Ga....	56	47	9	19
Milledgeville.....Ga....	60	50	10	20
Rome.....Ga....	56	47	9	19
Talladega.....Ala....	56	47	9	19

Tariff No. B-1549, amendment 2 to I. C. C. 7356.
Issued May 20, 1903.
Effective May 30, 1903.

1149-26

Exhibit No. 13—T. C. Powell.

(See p. 1115, Testimony.)

Lumber, Car-loads, in Cents per Hundred Pounds.

To—	Lumber City, Helena, Ga.	Aehboro, N. C.	Goldsboro, N. C.	Kinston, N. C.	Lexington, Batesburg, S. C.
Cincinnati.....O....	23	24	22	24	22
Cleveland.....O....	31	26.5	24	24	30.5
Springfield.....O....	29	26.5	24	24	28
Toledo.....O....	30	27.5	25	25	31.5
Columbus.....O....	29	26.5	24	24	29.5
Chicago.....Ill....	26	30.5	28	28	32
Evansville.....Ind..	22	26	24	31	24
Indianapolis.....Ind..	26	28.5	26	26	29
St. Louis.....Mo..	20	33	31	33	31

1149–27 (See p. 1119 of Testimony.)

Personal. WASHINGTON, *January* 5, 1903.

A.

Mr. McClung.
Mr. Niel.

RATE ADJUSTMENT.—General Advance in Rates.

The papers have announced from time to time recently that there will be a general advance in rates.

It is not our purpose to make such a general advance but we have under consideration advancing the rates on lumber and pig iron. It is undoubtedly a fact that the expenses of operating have increased so greatly that while our gross receipts have largely increased, the net receipts for some months show a decrease.

This is unreasonable and we are justified in taking steps to change these conditions.

Certain commodity rates now in effect were put in to meet special conditions which may not now exist and we may be justified in advancing some of these figures to a more reasonable basis.

I wish you would go over the tariffs generally and see what, in your judgment, may be done to increase our revenues.

We should be careful not to create the impression that we intend to make a horizontal advance.

T. C. P.

6.

Copy to Mr. Culp.
Copy.

1149–28 **Exhibit No. 14.**

(See p. 1126, Testimony.)

Statement of Commercial Lumber from Southern Railway Stations South of Macon Destined to Ohio River Crossings and Points North Thereof, on and West of the Buffalo-Pittsburgh Zone, and on and East of the Mississippi River.

Month of January, 1903.

	Cars.
From Southern Ry. stations	4
From connections	165
Total	169

Month of February, 1903.

From Southern Ry. stations	7
From connections	233
Total	240

Month of March, 1903.

From Southern Ry. stations	5
From connections	278
Total	283

Month of April, 1903.

From Southern Ry. stations	2
From connections	187

Month of May, 1903.

From Southern Ry. stations	5
From connections	206
Total	211

Macon, Ga., October 27th 1903.

1149-29 Statement of Commercial Lumber.

(A.) Originating at Southern Railway stations south of Macon.
(B.) Received by the Southern railway from connecting lines at junction points south of Macon destined to Ohio River crossings and points north thereof and on the west of the Buffalo-Pittsburg zone and on and east of the Mississippi river.

Month of January, 1903.

	Cars.
From Southern Ry. stations	4
From connections	165
Total	169

Month of February, 1903.

From Southern Ry. stations	7
From connections	233
Total	240

Month of March, 1903.

From Southern Railway stations	5
From connections	278
Total	283

Month of April, 1903.

From Southern Ry. stations	2
From connections	187
Total	189

Month of May, 1903.

From Southern Ry. stations	5
From connections	206
Total	211

Month of June, 1902.

	Cars.
From Southern Ry. stations	3
From connections	154
Total	157

Month of June, 1903.

	Cars.
From Southern Ry. stations	5
From connections	28
Total	33

Month of July, 1902.

From Southern Ry. stations	8
From connections	188
Total	196

Month of July, 1903.

From Sou. Ry. stations	8
From connections	24
Total	32

1149-30 Month of August, 1902.

From Southern Ry. stations	4
From connections	125
Total	129

Month of August, 1903.

From Sou. Ry. stations	9
From connections	189
Total	198

Month of September, 1902.

From Southern Railway stations	4
From connections	109
Total	113

Month of September, 1903.

From Sou. Ry. stations	4
From connections	129
Total	133

Month of October, 1901.

	Cars.
From Sou. Ry. stas.	13
From connections	143
Total	156

Month of October, 1902.

	Cars.
From Sou. Ry. stas.	6
From connections	113
Total	119

Month of October, 1903.

	Cars.
From Sou. Ry. stas.	17
From connections	128
Total	145

Cars shown "From Southern Railway stations" represent shipments which originate at Southern Railway stations, proper, south of Macon; cars shown as "From connections" represent shipments received from connecting lines at Southern Railway junction points south of Macon.

1149-31 Southern Railway Company, Office of Freight Traffic Manager.

T. C. Powell, Freight Traffic Manager.

WASHINGTON, D. C., *February* 1*st*, 1904.

File 301-A.

Hon. Edward A. Moseley, secretary Interstate Commerce Commission, Washington, D. C.

DEAR SIR:

RATE ADJUSTMENT.—Case of H. H. Tift *et al. vs.* Southern Ry. *et al.*

I beg to hand you herewith figures called for on pages 1136 and 1137 of my testimony in the above case, to be marked Exhibit No. 15.

Yours truly,

T. C. POWELL,
Freight Traffic Manager.
H. F. B.

2 enclosures.
Dictated by Mr. Powell.

1149-32 *Comparison of Returned and Assessed Value of Line in Georgia for Years* 1902 *and* 1903, *Augusta Southern Railroad Company.*

1902.		1903.	
Returned value.	Assessed value.	Returned value.	Assessed value.
$345,826.80	$345,826.80	$353,533.00	$353,533.00

1149–33 *Comparison of Returned and Assessed Value of Lines in Georgia for Years* 1902 *and* 1903.

Road.	1902.		1903.	
	Returned val.	Assessed val.	Returned val.	Assessed val.
Alabama division	$316,809.41	$316,809.41	$273,230.26	$354,832
Athens belt	520.00	520.00	560.00	560
Athens branch	261,730.43	263,130.43	181,161.65	333,016
Atlanta & Char. Air L	1,592,472.14	1,893,732.14	1,895,338.16	2,071,47
Atlanta & Florida	317,508.26	317,508.26	319,579.07	501,06
Char. Col. & Aug.	55,026.40	55,026.40	55,026.40	55,38
Chatta. & Bwk	5,464,233.45	5,464,233.45	5,523,690.42	6,145,48
Elberton Air Line	202,044.67	202,044.67	201,034.47	292,78
Georgia Midland	516,818.18	516,818.18	457,514.16	691,93
Georgia Pacific	1,193,943.89	1,193,943.89	1,190,097.29	1,312,96
Ore belt	6,600.00	6,600.00	6,600.00	15,73
Rome & Decatur	93,387.26	93,387.26	84,161.29	127,35
Roswell R. R.	24,522.15	24,522.15	24,533.75	41,65
South Car. & Ga. div.	39,969.82	39,969.82	40,889.82	41,15
Villa Rica branch			3,180.00	8,40
Total	$10,085,586.06	$10,388,246.06	$10,306,596.74	$11,993,55

J. LEE ENSIGN RECALLED.

1150 Mr. Boatright: Mr. Ensign, from your experience in shipping lumber to the West, can you assign a reason why from 60 to 80 per cent. of that lumber is consigned to railroads and car factories?

Mr. Ensign: I think the principal reason that 80 per cent. of the lumber out of Georgia goes to car companies and railroads is from the fact that they have got no other market that they can reach with their cheap grades of lumber. I do not think it is necessary to go into the reasons why the manufacturer of low-grade yellow-pine and car material is at a disadvantage compared with the manufacturer where other markets are accessible in putting their low grades of lumber into house material, framing and building materials. The fact that the principal mills in Mississippi and also in Texas and Arkansas do not manufacture car material and are not equipped for manufacturing car material is a sufficient reason to explain to any one that the manufacture of car material is

1151 only done when it is an absolute necessity for the manufacturer in order to get a market for his cheap grades of lumber. From personal visits to the territory of Mississippi, you will find that all the large mills and a great many small ones are absolutely unable to manufacture car material and that about 20 per cent. of the material shipped from Mississippi or less than 20 per cent. is car material.

Com'r Prouty: Are they unable to manufacture it because the mills are not properly equipped with machinery?

Mr. Ensign: Yes, sir; the Mississippi mills, all of the larger ones that represent the greater part of the shipments in this territory are what we term "board mills." They only have a carriage 16 feet long and it would be impossible for them to manufacture a car sill of 30 or 40 feet, and they find there is more money in manufacturing this piece stuff than low grades. When we have to compete in Georgia, we have one difference. Our lumber is a little more pitchy and weighs a little more. That is one reason why we are not able to compete in that market—perhaps a small reason—with the manufacturers in Arkansas, Mississippi and North Carolina. Another reason is that we have a differential of from 1 to 2 cents in freight

1152 rates and from the markets that really are accessible to us we are barred by this differential in rate. I should also say that this market which should be accessible to us—the Pittsburg-Buffalo and Ohio territory—is also invaded by the North Carolina product to a very great extent. Now, as I understand it, the North Carolina people have a shorter haul and they should really get into this territory on a cheaper rate. That is the position they take. But we find that the same conditions do not exist in the West. Louisiana and Texas, from Lake Charles and the Beaumont territory can bring their material through Arkansas and put it into the middle northern territory at the same rate that Arkansas gets there and Mississippi, and at a less rate than we get there, while the North

Carolina product goes into the same territory at a very much reduced rate over ours.

Mr. Boatright: Have you a statement showing comparative mileage and rates on lumber from various points of origin to various points of destination?

Mr. Ensign: I have a statement that was compiled by myself and some other lumbermen. It was only gotten up from
1153 tariffs as we could get hold of them, but of course it can be verified by the Commission. For instance, we show the rate from Texarkana, Arkansas, to Cairo and we show the rate from Beaumont to Chicago. We also show our rates. We use the Southern railway as a basis and the bulk of our lumber is shipped on the Ohio rate.

Mr. Boatright: Will you file that statement as part of your testimony?

Mr. Ensign: Yes, sir.

(The same is hereto attached and marked Exhibit No. "A" to Mr. Ensign's testimony.)

Mr. Ensign: I would say further that we took the Minneapolis territory to Chicago and Columbus and I would like to call the Commission's attention to it. The rate from Minneapolis to Columbus is 20 cents, and our rate was shown to be, in the testimony, I think, 30 cents.

Mr. Boatright: Have you had practical experience in equipping flat cars for the transportation of lumber to the West?

Mr. Ensign: Yes, sir.

Mr. Boatright: If so, state the average number of feet required, the quality of lumber and the actual average cost to you of such equipment.

1154 Mr. Ensign: Well, it varies so materially in the different kinds of lumber you equip with that I can only make a statement of the least expense we had on any one car. For instance, if we put on lumber that is 30 feet long—if it has two 16 feet lengths—we are required to put in only 4 standards. If the lengths are longer, or if it is a lap, we have to put in more.

Mr. Boatright: You mean four on each side?

Mr. Ensign: Four on each side, and two cross-pieces. It takes practically 150 feet, which we figure at ten dollars, making $1.50. Then, it takes 5 cents worth of nails, as close an estimate as we can make, and 25 cents for labor, making $1.80.

Mr. Boatright: On the cars where bearing pieces are used, what does that add to the value of the equipment?

Mr. Ensign: Where cars have to be loaded on bearings it very nearly doubles the expense.

Mr. Boatright: That is all.

Mr. Baxter: No questions.

The witness was excused.

(Here follows Exhibit A, marked p. 1154a.)

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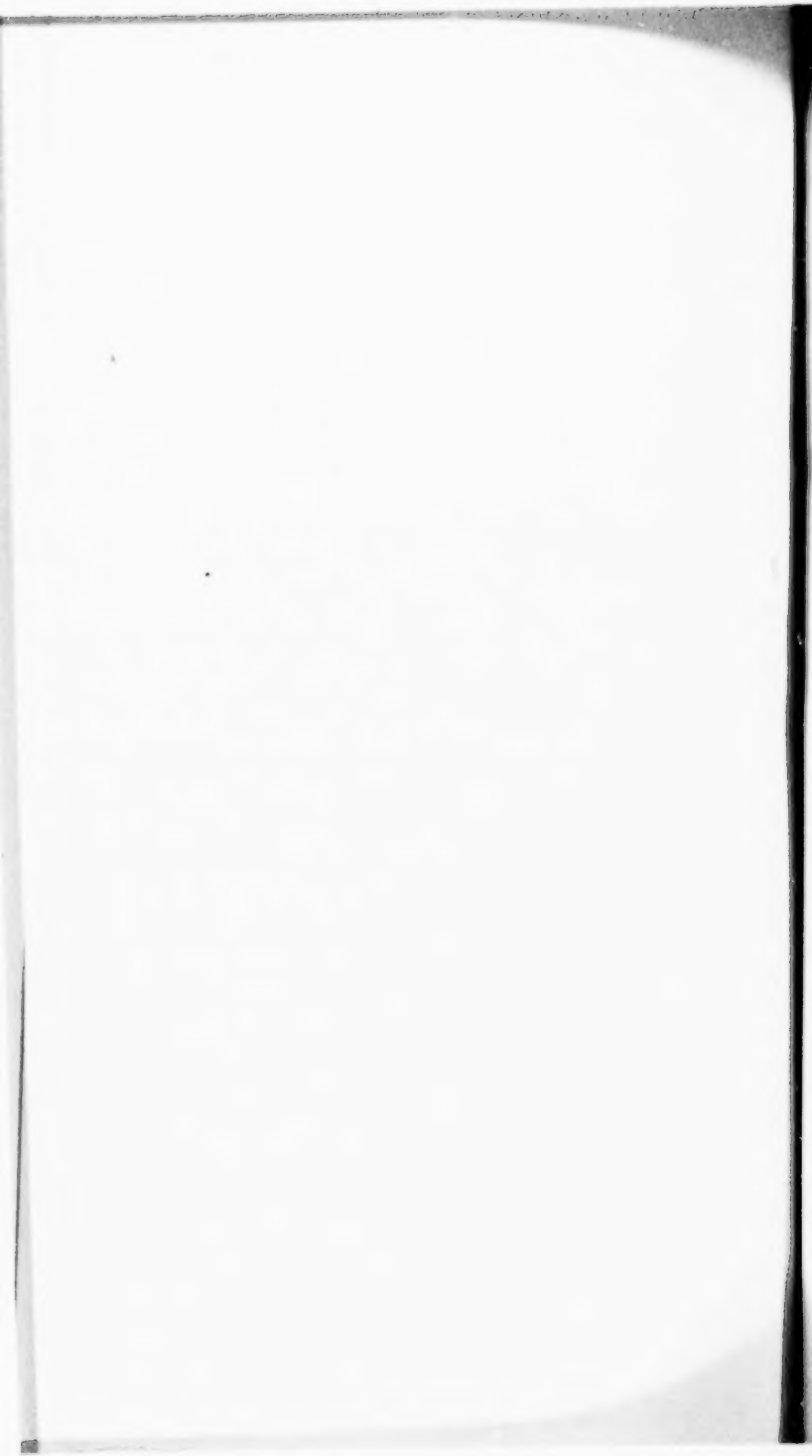
Mr. Enright
Exhibit A. Rep 1153.

Yellow Pine Lumber Rates

FROM SOUTH TO ST. LOUIS, CARIO AND OHIO RIVER.

Chicago to Detroit	272	9	1.80	.0066
Chicago to Cincinnati	309	10	2.00	.0067
Chicago to Cleveland	357	10	2.00	.0056
Chicago to Pittsburg	468	12½	2.50	.0053
Chicago to Columbus	314	10	2.00	.0064
Chicago to Indianapolis	185	8	1.60	.0086
PACIFIC COAST—				
Tacoma to Chicago	2321	50	10.00	.0043
Seattle to Chicago	2341	50	10.00	.0042
Tacoma to St Louis	2331	52½	10.50	.0045
Seattle to St Louis	2351	52½	10.50	.0044
Tacoma to Alliance, Neb.	1497	40	8.00	.0053
Seattle to Alliance, Neb.	1517	40	8.00	.0053
Tacoma to Denver, Colo.	1725	40	8.00	.0046
Seattle to Denver	1755	40	8.00	.0045
Tacoma to Omaha, Neb	1912	50	10.00	.0052
Seattle to Omaha, Neb	1932	50	10.00	.0052
Tacoma to St. Paul, Minn.	1912	40	8.00	.0042
Seattle to St. Paul, Minn.	1932	40	8.00	.0041

1154a



BOOK TOO LARGE FOR FIL

1155 E. H. HAMMOND RECALLED.

Mr. Boatright: Mr. Hammond, please state whether or not you compete with North Carolina territory in the Buffalo-Pittsburg territory, and if so to what extent, and also state what effect or influence the recent increase of rates has had on your business in that territory.

Mr. Hammond: We compete with North Carolina and Virginia directly—90 per cent. of our output—and the advanced rate of 2 cents in Georgia, which does not apply to our competitors in North Carolina is a direct loss to our company of $750 per month. Since the 25th or 26th of this month, it will be double that, as our capacity will be 3,000,000 feet a month, and as before stated, 90 per cent. of it goes to Pittsburg-Buffalo territory in competition with North Carolina and Virginia pine. I will also state that North Carolina pine has an advantage over Georgia pine of at least 200 pounds per thousand feet.

Mr. Boatright: Have you a telegram there received from your principals, setting forth the rate situation of the territory in question as compared with your territory?

1156 Mr. Hammond: Yes, sir; it is dated Pittsburg, October 29th, and is signed by E. B. Babcock & Company at Pittsburg. It says:

"Rates to Pittsburg from Fayetteville, 22 cents; Rennert 23½ cents; from Norfolk to points between Harrisburg and Pittsburg, 13 cents. From Babcock (which is a station in Georgia), southern lines earnings on shipments to Boston, 17 cents; New York State and eastern Pennsylvania points, 18 cents; Pittsburg, 20 cents, which is a direct discrepancy against Pittsburg."

Mr. Boatright: What percentage of your business has heretofore moved in box cars?

Mr. Hammond: One hundred per cent.

Mr. Boatright: Your dimension mill, the one you spoke about doubling the capacity of, that would be rough lumber, mainly, would it not?

Mr. Hammond: It depends on what market we can get into. We have mills sufficient to take care of it; but our intention in starting this mill was to put ourselves in position to tap either territory.

1157 Mr. Boatright: Have you had practical experience in equipping flat cars with standards, binders and bearing pieces? If so, what has been the cost to you?

Mr. Hammond: I have not had practical experience for the last two years, for the simple reason that we loaded everything in box cars; but I do know the value of lumber and know how much lum-

ber it takes to equip one according to the railroad specifications. If three cars are loaded together—you might call it three cars—only two would be actually loaded, there would be four pieces 8 by 8, 8 feet long, 20 standards and 20 strips.

Com'r Prouty: How long are the standards?

Mr. Hammond: They vary according to the height of the lumber. They should be 10 inches above the top of the lumber so as to have the cross-pieces perfectly clear of the lumber. Of course that varies; but in making your standards you generally make them in abundance and have them 8 feet long.

Com'r Prouty: What size?

Mr. Hammond: Four by five. I figure that a cent a foot is a fair average for this class of lumber, and for the three cars it
1158 would take 550 feet of lumber. This lumber would weigh 2400 pounds. At the rate of freight on 2400 pounds, that would mean seven dollars and ninety-two cents and $5.50 for the lumber, making $4.40 for each of the three cars. In addition to that cost there would be ten cents' worth of nails and anywhere from 20 cents to 50 cents for labor on the three cars.

Mr. Boatright: As to the quality of the lumber used in this equipment?

Com'r Prouty: The testimony is that it is required to be free of knots.

Mr. Boatright: I wanted to read that to him and see whether it is high or low grade.

Com'r Prouty: It costs $10.

Mr. Hammond: Well, the standards and binders would be high-grade lumber, but there is no specification as to grade on the 8 by 8. If convenient you could use common, if not, you would have to use whatever was available.

Mr. Boatright: That is all.

Mr. Baxter: No questions.

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1159 H. M. GRAHAM RECALLED.

Mr. Boatright: Mr. Graham, please state what, if any, experience you have had in handling white-pine lumber.

Mr. Graham: I had about 12 years' experience in Chicago.

Mr. Boatright: Have you a statement showing comparative weights of yellow pine and white pine for like grades of lumber?

Mr. Graham: I have; yes sir.

Mr. Boatright: Please read from that statement into the record the comparative weights of the various grades as shown there.

Mr. Graham: I have taken 9 different grades of lumber of each kind. I start with half-inch ceiling, white pine 1000 pounds, yellow pine 1300; ⅝-inch ceiling, white pine 1200, yellow pine 1700; ¾-inch ceiling, white pine 1500 pounds, yellow pine 2000; $1\frac{3}{16}$-inch flooring, white pine 1600; yellow pine 2200; 1-inch white-pine boards, rough, air-dried, 2400; yellow pine, kiln-dried,
1160 3500; 1-inch boards, air dried, dressed, 1,800; yellow pine, kiln dried, 2,800; small timbers, such as 4 by 4, 4 by 6 and 6 by 6, white pine, air dried, 2,400; yellow pine, kiln dried, 3,800; 8 by 8 and upwards, taking the green, because we have not had any dried yellow pine, 3,500, white pine; 4,600, yellow pine. 6-inch flooring, white pine, 1,700; yellow pine 2,400. Add these together and divide by 9 and you find that the average for white pine is 1,900 and for yellow pine 2,700, making a difference of 800 pounds in favor of white pine.

Mr. Boatright: Have you had occasion to investigate the Chicago market in reference to Pacific Coast woods that come in competition with yellow pine from Georgia territory?

Mr. Graham: Yes, sir; I have.

Mr. Boatright: Have you received this letter (handing letter to witness) in the course of your business correspondence, and if so state briefly what it contains and file it as an exhibit to your testimony.

Mr. Graham: I can probably read the letter in less time than I can explain it. It states:

1161 "CHICAGO, *Oct.* 29, 1903.

"H. M. Graham, Atlanta, Ga.

"DEAR SIR: We have your message of even date asking us to wire you comparative prices of Pacific coast timbers and yellow-pin timbers.

"After thorough investigation here we find that Washington fir timbers are being sold in Chicago at $24.00 per M. rough. They make the same price on all lengths up to 32 ft. and on all sizes up

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to 12 x 12, about 50c. more for 14" timbers and about $1.00 more for 16" timbers.

"We think the enclosed list of Foster Lumber Co. will explain fully regarding Washington fir timbers. The list prices as shown are a little higher than what the stock is being sold for. The rate from the Pacific coast to Chicago on Washington fir lumber is 50c. per hundred pounds. In comparing the prices of yellow pine with Washington fir, our prices on small timbers up to 30' long are less than the prices on Washington fir, but when we get to larger sizes and longer lengths, the prices of Washington fir are much cheaper than yellow pine.

1162 "For instance, a bridge stringer 8 x 16–32 can be bought in Washington fir for about $25.00 to $26.00, while we consider them worth in yellow pine $28.00 to $30.00. In other words we are unable to compete with the Pacific coast on larger timbers and we are unable to get a better price on the smaller timbers than what we are getting for the reason that white pine and Norway timbers are selling in Chicago for $17.00 to $18.00 for sizes up to 8 x 8. 10 x 10 and 12 x 12 we understand are being sold for about $19.00 to $20.00.

"Figuring yellow-pine timbers on a basis of $9.00 at the mill our price in Chicago is $21.15, the freight being $12.15 from Brinson, Ga. There are no yellow-pine timbers, however, being sold in Chicago on such sizes as 10 x 10 and 12 x 12, 10 to 20 ft. long, for more than $20.50 per M. On this basis it leaves, after deducting freight of $12.15, $8.35 per M for the lumber at the shipping point.

"Judging from the present market conditions, our sales on yellow pine will decrease considerable if we are to sell the stock at a higher price than what lumber sold for before the recent advance in

1163 the freight rate and today the prices on white pine are lower than they have been and this of course will affect the prices of yellow pine very much, or else will drive us out of certain territories entirely where we have been selling freely in the past.

Yours very truly, D. S. PATE LUMBER CO.,
P. S. FLETCHER, *Secretary.*"

The letter is hereto annexed, and marked "Exhibit 'A' to Mr. Graham's testimony."

Mr. Boatright: Please state whether or not you have caused this statement to be prepared from your books. State briefly what it is and file it as an exhibit to your testimony. (Handing statement to witness.)

Mr. Graham: It is a statement of shipments and shows the date, number of car, consignee, destination, the weight, the rate of freight and amount of invoice. I also noticed in Mr. Compton's testimony——

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Mr. Boatright: Let me make another question of that. Did Mr. Compton, in his exhibit, marked "A" refer to any of the cars
1164 shipped by you, and if so what was the character of the lumber to which he referred as compared with your average output?

Mr. Graham: I noticed that he had ten cars shipped from our mills in March, 1903. Out of the ten, nine contained flooring and one contained kiln dried, 2 by 4 and 2 by 6 that were dressed. During that month we had a total of 99 cars; 49 of them shipped to car companies contained sills, framing, decking, and about three of them were lining.

Mr. Boatright: Was all of that rough, green material?

Mr. Graham: Yes, sir; it was—I will not say it was all rough and all green. We very often make a price delivered and where we do we reserve the right to kiln dry or ship green. Where we can make any money kiln drying we do it.

Com'r Prouty: Have you a compilation from that statement showing about the value of the lumber compared with the freight rate?

Mr. Graham: The amount of the invoice is shown, which includes the freight. I also show the freight.

Com'r Prouty: You have not made the computation?

1165 Mr. Graham: I did not have time to finish it.

Com'r Prouty: Perhaps you had better retain it and make that computation.

Mr. Graham: All right.

(The statement is hereto annexed and marked "Exhibit 'B' to Mr. Graham's testimony.")

Mr. Boatright: Did you state what period that covers?

Mr. Graham: From August, 1902, to September, 1903, inclusive.

Mr. Boatright: That is all.

Mr. Baxter: I have nothing.

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1165-1

Exhibit A—Mr. Graham.

(See p. 1163.)

D. S. Pate Lumber Company. Established 1873. Manufacturers of Yellow Pine. General Offices 16th Floor Fisher Building. Telephones Harrison-546.

CHICAGO, *Oct.* 29, 1903.

H. M. Graham, Atlanta, Ga.

DEAR SIR: We have your message of even date asking us to wire you comparative prices of Pacific Coast timbers and yellow pine timbers.

After thorough investigation here we find that Washington fir timbers are being sold in Chicago at $24.00 to $25 per M. rough. They make the same price on all lengths up to 32 ft. and on all sizes up to 12 x 12, about 50c. more for 14″ timbers and about $1.00 more for 16″ timbers.

We think the enclosed list of Foster Lumber Co. will explain fully regarding Washington fir timbers. The list prices as shown are a little higher than what the stock is being sold for. The rate from the Pacific coast to Chicago on Washington fir lumber is 50c. per hundred pounds. In comparing the prices of yellow pine with Washington fir, our prices on small timbers up to 30′ long are less than the prices on Washington fir, but when we get to larger sizes and longer lengths, the prices of Washington fir are much cheaper than yellow pine.

For instance, a bridge stringer 8 x 16–32 can be bought in Washington fir for about $25.00 to $26.00, while we consider them worth in yellow pine $28.00 to $30.00. In other words we are
1165-2 unable to compete with the Pacific coast on larger timbers and we are unable to get a better price on the smaller timbers than what we are getting for the reason that white pine and Norway timbers are selling in Chicago for $17.00 to $18.00 for sizes up to 8 x 8. 10 x 10 and 12 x 12 we understand are being sold for about $19.00 to $20.00.

Figuring yellow-pine timbers on a basis of $9.00 at the mill our price at Chicago is $21.15, the freight being $12.15 from Brinson, Ga. There are no yellow pine timbers, however, being sold in Chicago on such sizes as 10 x 10 and 12 x 12, 10 to 20 ft. long, for more than $20.50 per M. On this basis it leaves, after deducting freight of $12.15, $8.35 per M. for the lumber at the shipping point.

Judging from the present market conditions, our sales on yellow pine will decrease considerably if we are to sell the stock at a higher price than what lumber sold for before the recent advance in the

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freight rate and today the prices on white pine are lower than they have been, and this of course will affect the prices of yellow pine very much, or else will drive us out of certain territories entirely where we have been selling freely in the past.

Yours, very truly,

D. S. PATE LUMBER CO.,
P. S. FLETCHER, *Sec'y*.

PSF-S

1165-3 Stuart Lumber Company, Manufacturers of Long-leaf Yellow-pine Lumber.

BRINSON, GA., *Nov.* 24, 1903.

Interstate Commerce Commission, Washington, D. C.

SIRS: Under separate cover, we send you today the reports asked of us by your honorable body while assembled at Atlanta, Ga. These reports cover shipments from August, 1902, to October, 1903, with the exception of local sales and sales within the State. We also attach a memorandum, showing the number of cars shipped west and east, the amount of green lumber and the amount of kiln dried lumber shipped each month, the average price per 1,000 feet at mill and the average freight per 1,000 ft. each month. We have also given you, without detailing, the shipments for the month of October, 1903, which shows how and which way the lumber is now moving.

We invite your attention especially to the large percentage of kiln dried material shipped over that of green, the percentage being about 80 of the total shipments dry.

We also invite the attention to the high freight for the month of October, 1903, being the highest that we have ever paid while in only two months previous to that has the average price at the mill been lower.

With highest regards to your honorable sirs, we are,

Very truly,

STUART LUMBER CO.,
Per H. M. GRAHAM.

1165–4 Stuart Lumber Company, Manufacturers of L
Yellow-pine Lumber.

BRINSON, GA., *Nov.* 23,

Month.	Year.	Cars west.	Cars east.	Green.	Kiln dried.	Total.	Ave. price lumber at mill.
Aug.	1902	60	17	178,090	1,144,232	1,322,322	$12.41
Sept.....	"	49	11	180,767	790,025	970,792	11.59
Oct..... .	"	53	22	93,416	1,143,612	1,237,028	11.79
Nov.....	"	43	4	84,622	713,927	798,549	10.73
Dec...	"	58	6	359,469	747,204	1,108,673	10.99
Jan.....	1903	51	9	108,572	966,130	1,074,702	11.20
Feb'y.....	"	49	17	143,009	1,003,285	1,146,294	11.56
M'ch.. ...	"	77	15	201,260	1,352,060	1,553,320	11.15
April.....	"	90	10	350,645	1,173,845	1,524,490	11.29
May.....	"	75	7	360,211	1,026,956	1,387,167	11.75
June.....	"	65	17	338,069	1,067,007	1,405,069	11.02
July.....	"	51	18	342,077	846,798	1,188,875	13.12
Aug.....	"	18	48	343,321	833,082	1,176,321	11.05
Sept.	"	14	27	209,823	518,414	728,237	10.39
Oct.	"	9	38	.....	.....	.....	10.80
		762	266	3,293,351	13,326,577	16,621,839	$170.84
					Ave. for above time..		$11.39

To "The Railroad Commissioners," Washington, D. C.

(Here follows Exhibit B, tables, marked pages 1165–5 to 11
inclusive.)

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M. W. GARBUTT RECALLED.

1166 Mr. Boatright: Mr. Garbutt, Mr. Compton in his "Exhibit A" refers to a shipment from Wright, Georgia, March 25, in M. & O. car No. 600 for C. L. Davidson, Dayton, Ohio, weighing 35,950 pounds, a rate of 25 cents, freight $89.80, containing 64,200 laths, on which he shows the price at your mill to be $112.35. Will you state the amount you actually received for that car?

Mr. Garbutt: We received $86.67.

Mr. Boatright: Is that information taken from an affidavit you made in this case at Macon?

Mr. Garbutt: Yes, sir.

Mr. Boatright: Have you had practical experience in equipping flat cars, if so what is the quantity of material you use and what is the actual cost to you for equipping flat cars for this western lumber business?

Mr. Garbutt: Well, approximately, where there is a single carload, 150 feet. I figure that millmen can equip single cars where there is no extra work in refitting after the car leaves the mill at
1167 $1.50, but frequently we have to send a crowd of men to the first junction point and have the standards taken out and refitted before the next receiving road will take the car.

Mr. Boatright: After the car is received by the initial line, is it a frequent thing for the connection to demand that the shipper be at further expense in rearranging the load and refitting standards?

Mr. Garbutt: Yes, sir; they wanted to make us follow it right up.

Mr. Boatright: You can have the witness.

Mr. Baxter: I have no questions.



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1168 H. H. TIFT RECALLED.

Mr. Boatright: Have you had practical experience, Mr. Tift, in equipping flat cars for the western lumber shipment?

Mr. Tift: Yes, sir; I have.

Mr. Boatright: Please state what the cost has been to you, or what the average cost is on the different sorts of equipment required?

Mr. Tift: The cost of equipment on single car-loads and the cost of equipment on lap cars will vary, owing to the different ways they are equipped. The equipment for single cars, under the loading rules a single car calls for eight pieces, 4 by 5, 8 feet long. On 60,000 pounds capacity cars, we cut many standards 10 feet long. We also cut some 7 feet. Eight feet would be a fair length for the standards. Then there are eight pieces, 1 by 6 and full 10 feet long, top strips. That is the lumber called for by the loading rules. That would make 147 feet of lumber. Figuring the lumber at ten dollars per thousand feet, which is a low estimate for the
1169 grade of lumber required for standards and cross-strips, it would make the cost of the lumber $1.47. To nail the eight strips requires a pound of nails, 5 cents. The average cost of labor, I put at 40 cents. It varies from 25 cents to 50 cents. As Mr. Garbutt stated, at times we have to send men to the first junction point to take out standards and replace them to meet the inspectors' demands. The standards have to be very accurately fitted. In my business I find it necessary to employ a skilled carpenter to do that work. As to the cost of equipping what is known as a lap, there are two pieces 8 by 8 and 9 feet long. Those are cars loaded where the lumber projects over the idler. Those strips are to raise the lumber high enough so that it will not rest on the idler. The rules call for 10 standards, 4 by 5 and 8 feet long and 10 pieces 1 by 6 and 10 feet long, making 279 feet of lumber. The price of that lumber at $10 per thousand would be $2.79. Figuring nails at 5 cents and labor at 40 cents, it would make $3.24. The weight of that lumber for the lap car would be 1255 pounds, figuring on a basis of 4500 pounds to the thousand feet, which is the recognized basis of the Georgia railroad commission and which is also accepted by the
1170 railroads as a correct and satisfactory basis for the weight of green lumber. The average freight taking the different points where the principal car works are situated is 25 cents. That would be a fair basis for the freight for those different car works. That would make the freight on the equipment of the lap car $3.13. The weight on a single car would be 661 pounds, making the freight charge on the equipment on the single car $1.65, making the average freight per car, adding those together and dividing by 2, $2.39.

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That is a statement of the equipment exactly as required under the rules for equipping flat cars.

Mr. Boatright: Is there anything that has been omitted or any general statement that you desire to make in this matter, Mr. Tift?

Mr. Tift: I would like to make a statement in regard to the proportion of box cars to total shipments and as to the cost of loading box cars. The situation in regard to the comparative loading of box and flat cars is about this: A very large proportion of the car material that goes to points north of the Ohio river, which use 34 to 36 foot box cars and flat cars, and car decking is furnished
1171 largely and almost entirely by the small mills and shipped rough. In most cases it is shipped green. Car decking in some instances is stacked in yard and partially dried, but a large proportion is shipped green from small mills. When I speak of small mills, I mean mills with a capacity of eight to fifteen or twenty thousand feet. That lumber moves almost entirely in flat cars and a very considerable proportion of it—practically all the car sills are loaded on the lap cars, because those sills are nearly in all instances 36 feet to 38 feet long. The product that goes into this territory from the larger mills is largely dressed stock, and a very much larger proportion is shipped in box cars. That proportion of shipments moving in box cars is continually increasing with that class of mills. They are endeavoring in every possible way to move their product, which is cut from small trees, mainly low-grade products, kiln-dried, reducing the weight—they are endeavoring to move it into this territory. As I stated in my direct examination, a very large proportion of the lumber shipped from Mississippi and Texas mills is what we call piece stock, that is, framing lumber, 2 by 4 and 2 by 6, and lumber which
1172 goes into buildings and small houses, fencing and all that grade of lumber. As we have been situated in Georgia, we have been practically unable to get into territory north of the Ohio river with any considerable portion of that product and until recent years that lumber has gone into the slab pits. What is needed in the Georgia saw-mill situation, is a market for that product in order to utilize that class of timber and avoid its destruction in mills by fire and destruction in slab pits. As we can develop markets for that class of timber, we put more and more into use, even if the margin in the manufacture is very small. There is another product of the mills, a comparatively recent product that we have been shipping to the western market, and that is, plastering laths. It was not until about a year ago or a little more than that that we were able to market that product at all except in a limited local territory, and for that reason that product has gone almost entirely to the slab pits. I can state that in my own business, until within a period of less than two years, this lath product, which we now manufacture

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from the slabs and edgings of our boards, was burned, be-
1173 cause we had no market in which we could place it, except a limited local market. We have worked up a trade for that now in the western market and quite a number of mills have been shipping that product.

Com'r Prouty: Does this present advance shut you out on that?

Mr. Tift: To a considerable extent, but not entirely. We still have some market for that product, but at a price which has shrunk to the amount of the freight or which leaves the margin very small. In my own business—coming back to the relative proportion of flat and box cars—I have not the figures at hand, but I am certain that at least 75 per cent. of my shipments into the territory north of the Ohio river go in box cars.

Com'r Fifer: Do you think that is true of the other mills?

Mr. Tift: I think it is of the larger mills, yes, sir. That is pretty general. But in the past two or three years there has been a very large movement of car sills and car decking from small mills, which has produced this proportion which was stated by the railroad representatives, and which I believe is correct, that from 50 to 60 per cent. of the movement has been in flat cars. The flat-car
1174 movement has been almost entirely car sills and car decking.

Com'r Prouty: Do you desire to ask Mr. Tift any questions, Mr. Baxter?

Mr. Baxter: Nothing at all.

Mr. Boatright: That is all. This is all of our oral testimony, I believe. It is my impression that all of the rates and information on file with the Commission may be treated as in evidence in this or any other case at any time. Is that correct?

Com'r Prouty: We always treat the rates as evidence, and I suppose in this case the statistical reports may be treated as evidence.

Mr. Baxter: That has been my custom. The practice has been where either party relies on facts obtained from the Commission, to furnish the opposite party a copy, stating the purpose for which it is introduced in evidence. It saves a great deal of time to both sides if they notify each other of the use they desire to make of the facts.

Com'r Prouty: You asked for the production of certain evidence, Mr. Boatright, by the defendants. Has that been produced?

Mr. Ellis: No, sir; not entirely, but we have tried the case
1175 with so little friction and so little objection—both sides have tried to be so accommodating, that I am sure that Judge Baxter and ourselves will agree on what we want and I feel satisfied he will give it to us if possible, and we will furnish him with like information. I think your honors may treat that matter as under advisement by counsel with every assurance that it will be satisfactorily adjusted between us, with the simple reservation on the part of Judge Baxter and ourselves to object to anything that is not

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legally competent. With that reservation, I believe we have agreed to produce anything on either side.

Mr. Baxter: I will say that we will look over what is in the record and if there is anything in addition they want I will furnish it unless it entails upon us an extraordinary expense, and in that event I will notify them what that expense is. If they tender the money, we will get it up and if not, it will be for your honors when we come to argue the case to say whether we shall do it or not.

Com'r Prouty: Mr. Boatright, do you desire to examine the accounting officers of any of these companies as to their methods
1176 of keeping their accounts, as to what these figures mean?

Mr. Boatright: Until we have had the privilege of examining those exhibits, we cannot say what we want. We would be glad to reserve that privilege.

Com'r Prouty: I think you may want to do that. Probably the better way would be for you to come to Washington and look at the statistical returns of these companies. They may show all you want to know and you can select such parts as you desire to introduce and indicate to Judge Baxter what you want to introduce. Then, if you desire to examine any accounting officers, you may do that afterwards.

Mr. Ellis: That would be satisfactory.

Mr. Baxter: I think it would save time and expense if we could examine by interrogatories.

Com'r Prouty: That might answer the purpose. I thought that if he desired to examine any of those officers it could probably be done better at Washington than anywhere else, because the returns are there.

Mr. Ellis: And the Southern Railway officials in that line are in Washington.

Com'r Prouty: Commissioner Fifer suggests that we would like to know when you will argue this case, in view of our other
1177 engagements.

Mr. Ellis: Can your honors suggest what time would be convenient to you?

Com'r Prouty: It has occurred to me that this case would probably not be decided until after we take the testimony in the Mississippi case, although there is no reason why it might not be argued before that. I think that testimony will be taken the second week in December, beginning somewhere about December 6th or 7th. I thought that this case might be argued immediately after that. If you desire to argue it before that, we will endeavor to fix a time, but this testimony has to be written out and that will take some time, and you will want to look it over. You ought also, each, to prepare a brief before the case is argued orally, and it seems to me, if you do that you will not get around to it before the 6th or 7th of December.

Mr. Ellis: I think that would be as early as we could get to it.

Judge Baxter devotes himself largely to railroad litigation, but still we will consult together and if your honors will permit will communicate with you. We desire to take the matter up as early as possible consistent with the convenience of the Commission.

Com'r Prouty: If there are no further suggestions from counsel, this concludes the testimony.

At 5:10 o'clock p. m. the Commission adjourned.

1178 LETTER No. —.

Southern railway.
Cincinnati, New Orleans & Texas Pacific Ry.
Alabama Great Southern R. R.
Georgia Southern & Florida Ry.
Mobile & Ohio railroad.
Central of Georgia railway.
Ocean Steamship Co.
Georgia railroad.
Savannah, Florida & Western Ry.
Brunswick & Western R. R.
Charleston & Savannah Ry.
Alabama Midland railway.
Atlanta & West Point R. R.
Western Railway of Alabama.
New Orleans & Northeastern R. R.
Alabama & Vicksburg railway.
Louisville & Nashville R. R.
Nashville, Chattanooga & St. Louis Ry.
Seaboard Air Line railway.
Atlantic Coast Line R. R.
Norfolk & Western Ry.
Illinois Central railroad.
Richmond, Fredericksburg & Potomac R. R.
Old Dominion Steamship Co.

File No. 289.

Ed. Baxter, Special Counsel.

H. H. TIFT ET AL.
vs.
SOUTHERN RY. CO. ET AL.

NASHVILLE, TENN., *Jan.* 31, 1904.

Hon. Edw. A. Moseley, Sec'y Int. Com. Com'n, Washington, D. C.

DEAR SIR: I hand you herewith some price-lists on lumber, and a statement of shipments of H. H. Tift, which Mess. Ellis, Wimbish & Ellis, of Atlanta, sent me with request that I examine and forward to you to be filed in the above cause.

Yours truly,

ED. BAXTER,
Special Counsel.

1179 *Copy of Invoice to American Car & Foundry Co., St. Louis, Mo., Dated Oct. 9th,* 1899.

3¾ x 11¼, 42 / 34, 61 / 8′ 6″	6,840′	
3¾ x 12¼, 23 / 34, 42 / 8′ 6″	4,360′	
2½ x 11¼, 98 / 9′ 4″	2,144′	
	13,344′	@ $11.00

Invoice Dated Oct. 23rd, 1899.

6¼ x 8¼, 77 / 35′ 6″	11,745′	
5¼ x 8¼, 40 / 35′ 6″	5,125′	
3½ x 7¼, 39 / 36′ 3″	2,989′	
	19,859′	@ $11.50

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Copy of Invoice to Barney & Smith Car Co., Dayton, O., Dated Sept. 13th, 1899.

$1\frac{3}{4}$ x $5\frac{3}{4}$, 400 / 9′ 9″, 207 / 19′ 6″.....	7,937′		
$1\frac{3}{4}$ x $7\frac{3}{4}$, 204 / 9′ 9″, 363 / 19′ 6″.....	12,090′		
	20,027′	@	$9.50

1180

1900.

April 4 cars to Huntington, W. Va.
" 2 " " Detroit, Mich.
" 6 " " Jeffersonville, Ind.—*12.
May 6 " " " "
" 1 " " Huntington, W. Va.—*7.
June 1 " " Chicago, Ill.
" 1 " " Logansport, Ind.
" 1 " " Hammond, Ind.—*3.
Aug. 1 " " Chicago, Ill.
" 1 " " Logansport, Ind.—*2.
Sept. 3 " " Chicago, Ill.
" 5 " " Logansport, Ind.
" 1 " " Chicago, Ill.
" 1 " " Cincinnati, O.—*10.

1181

1901.

April 2 cars to Owensboro, Ky.
" 1 " " Sullivan, Ind.
" 1 " " Cumberland, Md.
" 1 " " Huntington, W. Va.
" 1 " " Fayetteville, Tenn.
May 1 " " Owensboro, Ky.
" 4 " " Chicago, Ill.
" 1 " " Geneva, Ind.
June 12 " " Chicago, Ill.
" 1 " " Detroit, Mich.
" 1 " " Goodland, Ind.
" 2 " " Bloomington, Ind.
" 6 " " Jeffersonville, Ind.
" 1 " " Sandusky, O.
" 1 " " Terre Haute, Ind.
" 1 " " Cincinnati, O.
" 1 " " Franklin, Ky.
" 2 " " Englewood, Ind.

[* In pencil in copy.]

June 2 cars to Bunkville, Ind.
July 3 " " Chicago, Ill.
" 1 " " Jeffersonville, Ind.
" 1 " " Englewood, Ind.
" 3 " " Terre Haute, Ind.
" 1 " " East Liverpool, O.
Aug. 2 " " Jeffersonville, Ind.
" 2 " " Terre Haute, Ind.
" 3 " " Dayton, O.
Sept. 1 " " Boonville, Ind.
" 4 " " Dayton, Ohio.
" 3 " " Urbana, O.
" 1 " " Sebree, Ky.
" 2 " " Tuscana, Ind.
" 2 " " Englewood, Ill.
" 1 " " Bristol, Tenn.
" 1 " " Martinsville, Tenn.
" 1 " " Chicago, Ill.
" 1 " " Hammond, Ind.

1181½

1902.

April 2 cars to Dayton, Ill.
" 1 " " Whiting, Ind.
" 7 " " Chicago, Ill.
" 1 " " Loogootee, Ind.
" 1 " " Indianapolis, Ind.
" 1 " " Boonville, Ill.
" 2 " " Pana, Ill.
" 1 " " Lima, O.
" 1 " " Winston Pike, Ind.
" 2 " " Vincennes, Ind.
" 2 " " Marion, O.
" 1 " " Bloomington, Ind.
" 1 " " Detroit, Mich.
" 1 " " Greensburg, Ind.
" 1 " " Jeffersonville, Ind.
May 5 " " Terre Haute, Ind.
" 5 " " Chicago, Ill
" 1 " " Englewood, Ill.
" 1 " " Kokomo, Ind.
" 3 " " Jeffersonville, Ind.
" 1 " " Marion, O.
" 1 " " Linton, Ind.
" 2 " " Dayton, O.
" 2 " " Cape Charles, La.
" 1 " " Vincennes, Ind.

May	1	cars	to Martinsville, Tenn.
"	1	"	" Waterford, O.
June	3	"	" Terre Haute, Ind.
"	1	"	" Upland, Ind.
"	2	"	" Martinsville, Tenn.
"	1	"	" Huntington, Ill.
"	1	"	" Jeffersonville, Ind.
"	1	"	" Linton, Ind.
"	4	"	" Chicago, Ill.
"	5	"	" W. Detroit, Mich.
"	1	"	" Ann Arbor, Mich.
"	1	"	" South Bend, Ind.
"	1	"	" Lima, O.
"	1	"	" Vincennes, Ind.
"	2	"	" Brazil, Ind.
"	1	"	" Worcester, O.
"	1	"	" Coldwater, Mich.
"	1	"	" Middlesboro, Ky.
"	1	"	" New Castle, Ind.
"	1	"	" Sunny Side, O.
July	1	"	" Union City, Ind.
"	7	"	" West Detroit, Ind.
"	1	"	" Greenville, O.
"	5	"	" Chicago, Ill.
"	6	"	" Jeffersonville, Ind.
"	3	"	" Terre Haute, Ind.
"	1	"	" Kalamazoo, Mich.
"	1	"	" Frankfort, Ind.
"	1	"	" Louisville, Ky.
"	1	"	" Gettysburg, O.
"	1	"	" Dowagiac, Mich.
"	1	"	" Charlotte, N. C.
"	1	"	" Logansport, Ind.
Aug.	1	"	" St. Louis, Mo.
"	3	"	" Chicago, Ill.
"	1	"	" Sandusky, O.
"	1	"	" Dowagiac, Mich.
"	2	"	" Detroit, Mich.
"	1	"	" Hegewisch, Ill.
Sept.	1	"	" E. Norwood, O.
"	1	"	" Cincinnati, O.
"	1	"	" Montezuma, Ind.
"	1	"	" Cape Charles, Va.
Aug.	1	"	" Martinsville, Tenn.
"	1	"	" Lorain, O.
"	1	"	" Vincennes, Ind.
"	1	"	" Rockdale, Ind.

Aug.	1	cars	to	Lexington, Ky.
"	1	"	"	Francisville, Ind.
"	2	"	"	Dayton, O.
"	4	"	"	Detroit, Mich.
"	2	"	"	Hegewisch, Ill.
"	1	"	"	Albain, Ind.
"	2	"	"	Chicago, Ill.
"	1	"	"	Prinaton, Ind.
"	6	"	"	Chicago, Ill.
"	1	"	"	Martinsville, Tenn.

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April	5	cars	to	Vincennes, Ind.
"	1	"	"	Newark, O.
"	1	"	"	Shoals, Ind.
"	1	"	"	Charleston, W. Va.
"	1	"	"	Sparta, Mich.
"	1	"	"	Sistersville, W. Va.
"	1	"	"	Portsmouth, O.
"	1	"	"	Delphi, Ind.
"	1	"	"	Loogist, Ind.
"	1	"	"	Batersville, Ind.
"	1	"	"	Hudson, Mich.
"	1	"	"	Richmond, Ind.
"	1	"	"	Kensington, Ill.
"	1	"	"	Bond Hill, O.
May	2	"	"	Indianapolis, Ind.
"	1	"	"	Adena, O.
"	1	"	"	Manassas, Va.
"	2	"	"	Cincinnati, O.
"	1	"	"	Martinsville, W. Va.
"	1	"	"	Shelburn, Ind.
"	1	"	"	Portsmouth, O.
"	1	"	"	Old Milfred siding on B. & O.
"	1	"	"	Winslow, Ind.
"	1	"	"	Detroit, Mich.
"	1	"	"	Stabenville, Ind.
"	1	"	"	Sullivan, Ind.
June	1	"	"	Union City, Ind.
"	1	"	"	Parkersburg, W. Va.
"	1	"	"	Newark, O.
"	1	"	"	Loogootee, Ind.
"	1	"	"	Hyattsville, Md.
"	1	"	"	Evansville, Ind.
"	1	"	"	Louisburg, Ind.
"	1	"	"	Siding, O.

June	2	cars	to	Cincinnati, O.
"	1	"	"	Greenfield, Ind.
"	2	"	"	Hamilton, O.
"	1	"	"	Chicago, Ill.
"	1	"	"	Franklin, Ky.
"	1	"	"	Newsburg, W. Va.
"	1	"	"	Indianapolis, Ind.
July	1	"	"	Mulberry, Ind.
"	1	"	"	Alexandria, Va.
"	1	"	"	Jellico, Tenn.
"	4	"	"	Elgin, Ill.
"	2	"	"	Columbus, O.
"	1	"	"	Brazil, Ind.
"	1	"	"	Cincinnati, O.
"	1	"	"	Hamilton, O.
"	2	"	"	Cincinnati, O.
"	1	"	"	Sheridan, Ind.
"	1	"	"	Martinsville, Tenn.
"	1	"	"	Vincennes, Ind.
"	1	"	"	Urbana, O.
"	1	"	"	Dayton, O.
"	1	"	"	Rockville, Ind.
Aug.	2	"	"	Martinsville, Tenn.
"	1	"	"	Duggen, Ind.
"	1	"	"	Urbana, O.
"	1	"	"	Hope, Ind.
"	1	"	"	New Martinsville, W. Va.
"	1	"	"	Dayton, O.
"	3	"	"	Cincinnati, O.
"	1	"	"	Aurora, Ind.
"	8	"	"	Chicago, Ill.
"	1	"	"	Rockdale, Ind.
Sept.	1	"	"	Chicago, Ill.
"	2	"		Cincinnati, O.
"	1	"	"	Owensboro, Ky.
"	1	"	"	Elgin, Ill.
"	1	"	"	Winston, Ind.
"	1	"	"	Alexandria, Va.
"	1	"	"	Middleton, Ky.
"	1	"	"	Greenfield, Ind.
"	1	"	"	Elgin, Ill.
"	2	"	"	Vincennes, Ind.
"	2	"	"	Martinsville, Tenn.
"	2	"	"	Burlington, N. C.
"	1	"	"	Hobart, Ind.
"	1	"	"	Hegewisch, Ill.
"	1	"	"	Newport, Ky.

Sept. 1 cars to Bristol, Tenn.
" 1 " " Montezuma, Ind.
" 1 " " Chicago, Ill.
" 1 " " New Martinsville, W. Va.
" 1 " " Knoxville, Tenn.

1183 (Exhibits showing price-lists of lumber and exhibits which are blue-print maps omitted from this record by direction of counsel.)

BEFORE THE

Interstate Commerce Commission.

No. 698.

H. H. TIFT, W. S. WEST, J. LEE ENSIGN, J. S. BETTS & COMPANY, GARBUTT LUMBER COMPANY, ALAPAHA LUMBER COMPANY and SOUTHERN PINE COMPANY

v.

SOUTHERN RAILWAY COMPANY; ATLANTIC COAST LINE RAILROAD COMPANY; LOUISVILLE & NASHVILLE RAILROAD COMPANY; NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY COMPANY; SEABOARD AIR LINE RAILWAY; CENTRAL OF GEORGIA RAILWAY COMPANY; GEORGIA SOUTHERN & FLORIDA RAILWAY COMPANY; MACON & BIRMINGHAM RAILWAY COMPANY; and the SOUTHEASTERN FREIGHT ASSOCIATION and S. F. PARROTT, Chairman of said SOUTHEASTERN FREIGHT ASSOCIATION.

Decided February 7, 1905.

Ellis, Wimbish & Ellis and *F. G. Boatright* for complainants.

Ed. Baxter for Southern Railway Company, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company.

C. B. Northrop for Southern Railway Company.

Mason, Hill & McGill for Southeastern Freight Association.

Kaye, Bennett & Conyers for Atlantic Coast Line Railroad Company.

Brown & Randolph and *Erwin & Erwin* for Seaboard Air Line Railway.

REPORT AND OPINION OF THE COMMISSION.

No. 698.

H. H. TIFT, W. S. WEST, J. LEE ENSIGN, J. S. BETTS & COMPANY, GARBUTT LUMBER COMPANY, ALAPAHA LUMBER COMPANY AND SOUTHERN PINE COMPANY

v.

SOUTHERN RAILWAY COMPANY; ATLANTIC COAST LINE RAILROAD COMPANY; LOUISVILLE & NASHVILLE RAILROAD COMPANY; NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY COMPANY; SEABOARD AIR LINE RAILWAY; CENTRAL OF GEORGIA RAILWAY COMPANY; GEORGIA SOUTHERN & FLORIDA RAILWAY COMPANY; MACON & BIRMINGHAM RAILWAY COMPANY; AND THE SOUTHEASTERN FREIGHT ASSOCIATION AND S. F. PARROTT, CHAIRMAN OF SAID SOUTHEASTERN FREIGHT ASSOCIATION.

Decided February 7, 1905.

Defendants made effective on June 22, 1903, an advance of 2 cents per 100 pounds over rates previously in effect from Georgia points to Ohio River destinations on lumber in carloads, whether shipped locally to said Ohio River points or shipped beyond. The rates prior to that date were in effect from September 8, 1899, on which date an advance was made of 1 cent from Group 2 points on the Southern Railway, and of 2 cents from most other grouped shipping points in Georgia, over rates in force May 17, 1894. From the various groups the present advanced rates to Cincinnati, Louisville and Evansville are, as to some, 4 cents higher than in 1892, and as to others, 3 cents higher than in 1891. The rates prior to the advance complained of were remunerative to the carriers. *Held*:—

1. That complainants, constituting only a small portion of the

membership of the Georgia Saw Mill Association, which is alleged by defendants to be an unlawful association, were entitled to bring and maintain this proceeding in their own behalf and in the interest of all shippers of the traffic involved and others constituting the public at large.

2. That the advance of rates complained of in this case was the result of concerted action by defendants and other carriers; and while the question whether such concert of action is in violation of the "Anti-Trust Act" is for determination only by the courts, it is the province and duty of this Commission, when the reasonableness of rates is in issue before it, to consider whether the advanced rates resulted from untrammeled competition, or were fixed by concert of action or combination of the carriers.

3. That where an advance is made in rates which have been long maintained, and the evidence shows that the traffic affected is large, important, and constantly increasing, the advance will be held unjust, unless it is satisfactorily explained.

4. That the test of the reasonableness of a rate is not the amount of profit in the business of the shipper or manufacturer, but whether the rate yields a reasonable compensation for the services performed. Carriers necessarily and justly participate in the prosperity of their patrons in the resultant enlargement of their own business, and no rule is more firmly grounded in reason, or more universally recognized by carriers, than that the greater the tonnage of the article transported, the lower should be the rate.

5. That if permanent improvements are not included in the operating expenses of defendants, and if only such expenditures for equipment as are properly chargeable to a single year are included, the percentages of operating expenses to gross earnings will be materially reduced.

6. That carriers have no right to advance a rate which is already reasonably high and which yields an adequate return for the service rendered, solely because additional revenue is needed. The mere fact of the need of additional revenue to meet increased expenses does not justify the advance in rates on these lumber shipments from Georgia to and beyond the Ohio River, which are, for the most part, of low grade and comparatively small value.

7. That the hauling of flat cars empty to the mills, or the practice of shippers to load cars below their capacity, are conditions which, to the extent they exist, are properly taken into account by carriers in fixing rates; and it must be assumed that they were considered by defendants in making and maintaining the rates so long in force prior to the advance herein charged.

8. That the rates on lumber, prior to the advance complained of, were reasonably high when compared with the rates on other commodities which are at all analogous to lumber in respect to value, vol-

ume, risk, cost of handling, and other circumstances and conditions affecting the transportation of the traffic.

9. That lumber rates should be relatively low, in view of the limited life of the lumber business in Georgia, at the end of which large investments of manufacturers in plants, including buildings, machinery and tram roads, will become practically valueless, the increase in the net revenue of the roads caused by the lumber traffic, the fact that lumber is inexpensive freight and few other commodities furnish greater tonnage, the constancy of the traffic throughout the year, the fact that no special equipment is required for its movement, that it is loaded by shippers and unloaded by consignees, that when flat or open cars are furnished the shipper is at considerable expense to equip them so as to protect the lumber and the train, that it is not a perishable freight and does not require rapidity of movement, that there is small risk and in case of accident the damage is insignificant, and that lumber is an article of general utility.

10. That the advance of 2 cents per 100 pounds in defendants' rates on lumber from Georgia shipping points to Ohio River points, which was made effective June 22, 1903, was not warranted by the facts, circumstances and conditions disclosed in this case, and that the increased rates then put in force are unreasonable and unjust.

Ellis, Wimbish & Ellis and *F. G. Boatright* for complainants.

Ed. Baxter for Southern Railway Company, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company.

C. B. Northrop for Southern Railway Company.

Mason, Hill & McGill for Southeastern Freight Association.

Kaye, Bennett & Conyers for Atlantic Coast Line Railroad Company.

Brown & Randolph and *Erwin & Erwin* for Seaboard Air Line Railway.

Report and Opinion of the Commission.

Clements, *Commissioner:*

The complainants, H. H. Tift, et al., are manufacturers of

yellow pine lumber in the State of Georgia. They describe themselves in the complaint as members of the Georgia Saw Mill Association, and allege that the complaint is filed "in behalf of themselves and all members of that Association," but the association as such is not made a party complainant. It is an organization composed of complainants and a large number of other lumber manufacturers in the States of Georgia, Florida and South Carolina, created, it is alleged, for the purpose of "promoting and protecting the interests of the yellow pine industry" of those states.

The defendants, except the Southeastern Freight Association, are common carriers engaged in the transportation, among other things, of lumber from points in the State of Georgia to points in other states—particularly, the States of Tennessee, Kentucky, Ohio, Indiana, Illinois and Missouri. The defendants conduct this transportation over their own lines or in connection with other common carriers of interstate commerce and each of them maintains and operates a line in the State of Georgia. The line in Georgia with which defendant, the Louisville & Nashville Railroad Company, is connected, is the Georgia Railroad, which it mantains and operates as co-lessee with defendant, the Atlantic Coast Line Railroad Company.

Defendant, the Southeastern Freight Association, is an association or organization composed of a large number of common carriers by rail and water, embracing as members all the other defendants herein except the Nashville, Chattanooga & St. Louis Railway Company and the Louisville & Nashville Railroad Company. The latter company, however, is practically a member in its character as co-lessee of the Georgia Railroad. What is termed the "territory" of this Association lies, roughly speaking, south of the Potomac River and east of a line extending from Chattanooga via Birmingham, Selma and Montgomery to Pensacola. Its object is the promotion and protection of the interests of its members, and, particularly, in the matter of rates.

As grounds of complaint, it is alleged:

1. That said Southeastern Freight Association "was organized under and is maintained under agreements and for pur-

poses, including the fixing and maintenance of rates, fares and charges on competitive traffic, which result in the fostering of monopoly and the destruction of fair competition between the carriers embraced in its membership and in establishing and continuing in force unreasonable and unjust transportation rates and charges upon traffic carried over the lines of such common carriers, to the injury and prejudice of complainants and other members of said Georgia Saw Mill Association and the localities wherein they are engaged in business;" that said Association "is employed by the defendant railway companies and other carriers, members of said Association, as an irresponsible medium through and by which to effect the lessening of competition in transportation rates and facilities and the exaction of higher transportation charges than will be in effect under conditions of unrestricted competition between the defendant railway companies;" and that in the matter of the increased rates complained of in this case, "the lumber carrying roads, defendants herein, have acted in concert and have acted through said Southeastern Freight Association, and have singled out lumber as a commodity upon which this extra burden shall be laid, notwithstanding that some, if not all, the railway companies would derive an equal and apparently much greater benefit from the laying of increased rates upon other products."

2. That on the 22nd day of June, 1903, each of the defendants put in force an advance of 2 cents per hundred pounds in the rates on lumber from points of shipment in the State of Georgia to Chattanooga, Tenn., and to points on the Ohio River, namely, Cincinnati, Evansville, Henderson, Louisville, East St. Louis and St. Louis and to points beyond; that "in promulgating said tariff of increased rates and maintaining and enforcing the same without change, the several defendant railway companies have been and are acting in concert with each other and with other lumber carrying roads, who with them are co-members of the Southeastern Freight Association;" that said advance in rates "is arbitrary, unreasonable and unjust and has proved destructive to the business of complainants and other members of said Georgia Saw Mill Association and defeats competition within a large territory comprised of Ohio

River points and points beyond in the Central, Northern and Western states"; that said advance imposes upon the yellow pine industry "a burden out of line with and far more grievous than that sustained by the products of other industries of like weight and value and subjects complainants and other members of said Georgia Saw Mill Association, their traffic and the localities wherein they do business, to an undue and unreasonable prejudice and disadvantage."

The prayer of the complaint is that "an order or orders be issued commanding the defendants, and each of them, to wholly cease and desist from each and every of the alleged violations of the Act to regulate commerce, and, particularly, from continuing to exact and enforce the advanced rates complained of, and for such other and further order or orders as the Commission may deem necessary in the premises or complainants' cause may appear to require."

The defendants, with the exception of the Macon & Birmingham Railway Company, have filed a joint and several answer in which they deny specifically all the charges made in the complaint and allege "that the circumstances and conditions now affecting the lumber traffic fully justify respondents and their connections in making the 2 cents advance in rates and that said advance is just and reasonable." They set up as "circumstances and conditions" justifying the advance, (1) that the lumber rates, "value and tonnage considered are low as compared with the rates on other commodities produced in South Carolina, South Georgia and Florida and shipped to north-central and western states, such as oranges, pineapples, watermelons, peaches, other fruit, rosin, turpentine and pyroligneous products;" (2) that for the transportation of lumber they are compelled to haul a large number of flat cars to the mills *empty* and consequently the rates charged "represent a transportation service rendered in carrying the empty cars to the mills, as well as a transportation service rendered in carrying the loaded cars from the mills to the north-central and western territory;" (3) and that "it is a common practice for shippers of lumber to load the cars below their marked capacity, the result of which is to

deprive the carriers of the additional revenue which they would obtain if the cars were loaded to their full capacity."

It is also averred that if the advance is not allowed to stand, the defendants will be debarred "from sharing to any extent whatever in the phenomenal prosperity of the business in the regular grades of lumber." These are the principal matters set up in the answer in justification of the advance; others are presented in the testimony and will receive due consideration.

In addition to denials of all charges in the complaint and to matters of justification, the answer charges that the Georgia Saw Mill Association—of which, as before stated, the complainants and a large number of others are members, but which is not made a party complainant in this proceeding—was not organized and is not maintained "for promoting or protecting by proper and lawful means the interest of the yellow pine industry in Georgia, South Carolina, Florida and Alabama," but that, on the contrary, complainants and the other members of said Association "have combined and conspired with each other to monopolize a part of the trade and commerce in yellow pine lumber among the several states of the United States;" that the constitution and by-laws of said Association "constitute a contract, combination in the forms of a trust or otherwise, or conspiracy between the members of said Association for the sale and transportation to other states of the United States of the yellow pine lumber manufactured by the members of said Association in Georgia, South Carolina, Florida and Alabama; that the natural and direct effect of said constitution and by-laws is to regulate and restrain interstate commerce in the yellow pine lumber manufactured by the members of said Association; that complainants and the other members of said Association are acting in violation of the Act of Congress of July 2, 1890, known as the Anti-Trust Act, and, therefore, "complainants do not come before the Commission with clean hands and should not be allowed to maintain their bill of complaint in this case."

Findings of Fact.

1. The advance of 2 cents per hundred pounds in the lumber rates from Georgia, complained of in this case, was originally

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promulgated by the defendants to take effect April 15, 1903, and would have become operative at that date but for a temporary injunction or restraining order granted April 14, 1903, by the Circuit Court of the United States for the Southern District of Georgia in the case before that court of the complainants herein, H. H. Tift, et al., v. defendants herein, the Southern Railway Company, et al. (123 Fed. Rep. 789). Subsequently, on the 16th day of May, 1903, the Circuit Court dissolved the temporary injunction and "withheld further judicial action until apprised" of the decision of this Commission in the present proceeding (ib. 796), and on the 22nd day of June, 1903, the defendant railways after due notice put in force the advanced rates on shipments from Georgia points as originally proposed.

An advance of 2 cents was made April 15, 1903, from both the territory west of the Mississippi, composed of Louisiana west of that river, Arkansas and Texas, and the territory east of the river composed of East Louisiana, Mississippi, Alabama and Florida, and would, as above stated, have been put in force at the same date from Georgia but for the delay caused by the temporary injunction referred to in the preceding paragraph. It was intended to be simultaneous all along the line and was made, in fact, though not expressly, by agreement between the roads, including the defendants, serving the different lumber producing districts. A number of meetings were held and consultations had between the representatives of the roads which resulted finally in the promulgation of the advance. The lumber manufacturers in all these territories compete for business largely in the same markets and the increase in rates was understood to be impracticable or inadvisable unless made from all the lumber producing territories and, consequently, there was a concurrence or agreement between the roads before the advance was finally determined upon and made effective. Defendant, the Southern Railway Company, appears to have taken the initiative in this matter.

The principal points to which the advance was made applicable are Chattanooga and the Mississippi River points, St. Louis, East St. Louis and other crossings from St. Louis to and in-

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cluding Memphis, and all Ohio River crossings from Cairo to Cincinnati, both inclusive. The rates to the Ohio River crossings, Evansville, Louisville and Cincinnati, are based on the Cairo rate, that is, they bear a relation to the Cairo rate, being higher by certain amounts than the Cairo rate and being as a rule correspondingly advanced or reduced as the Cairo rate is advanced or reduced. The through rates to points beyond in the territory east of the Mississippi and north of the Ohio River, known as the "Central Freight Association Territory," are made up of the full local rates of the roads north of the Ohio (which are not affected by the advance) as the proportions of those roads, and of whatever is left of the through rates as the proportions of the roads south of the Ohio. It results that the proportions of the latter roads are in some cases less than their regular local rates to the Ohio River.

2. Defendants, the Southern Railway Company, the Georgia Southern & Florida Railway Company, the Central of Georgia Railway Company and the Atlantic Coast Line Railroad Company, have, for the purpose of fixing lumber rates from Georgia, divided the shipping stations on their lines in that state into different Groups or Rate Bases, and the rates from these Groups or Bases differ, being higher from some than others.

The advanced rates from the different Groups or Rate Bases of these four roads to the Ohio River crossings, Cairo, Evansville, Louisville and Cincinnati, are shown in the tables below:

TABLE 1.

Rates in cents per 100 pounds of Southern Railway Company.

To—	Rate Bases or Groups	1	2[1]	3	4	5
Cairo, proper		16	16	21	22	23
Cairo, for beyond		14	16	17	18	19
Evansville, for beyond		20	22	23	24	25
Louisville, for beyond		19	21	22	23	24
Cincinnati, proper and for beyond		21	23	24	25	26

[1]Referred to in testimony as Group No. 1.

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TABLE II.

Rates in cents per 100 pounds of Georgia Southern & Florida Ry. Company.

To—	Groups 1	2	3	4	5
Cairo, proper	21	22	23	24	21½
Cairo, for beyond	17	18	19	20	17½
Evansville	23	24	25	26	23½
Louisville	22	23	24	25	22½
Cincinnati	24	25	26	27	24½

TABLE III.

Rates in cents per 100 pounds of Central of Georgia Railway.

To—	Groups 1	2	3	4
Cairo	17	16	16	16
Evansville	23	22	20	20
Louisville	22	21	19	19
Cincinnati	24	23	21	21

TABLE IV.

Rates in cents per 100 pounds of Atlantic Coast Line R. R. Company.

To—	Groups 1	2	3	4	5	6
Cairo	20	21	21	22	23	20
Evansville	22	23	23	24	25	22
Louisville	21	22	22	23	24	21
Cincinnati	23	24	24	25	26	23

The rates from the lumber producing territory west of the Mississippi composed of that part of Louisiana west of the River and of Arkansas, and from the territory east of the Mississippi composed of that part of Louisiana east of the river and of Mississippi and part of Alabama, are blanket rates, being the same from all shipping points to the same destination. Those rates as advanced, April 15, 1903, are as follows:

TABLE V.

From—	To— Cairo.	Evansville.	Louisville.	Cincinnati.
Arkansas	16	23	27	27
Louisiana Mississippi, Alabama and Group 2 of Southern Railway in Georgia	16	22	21	23

(NOTE.—The rate (16 cents) from Texas points to Cairo in force at date of advance has been restored.)

By a comparison of the rates in Table V. (rates from Louisiana, Mississippi and Alabama and Group 2 of Southern Railway) with the rates in the preceding four tables, I., II., III. and IV. (Rates from Georgia), it will be found that the rates in table V. are lower for the most part than the rates from all the groups in Tables II., III. and IV.; that they are the same as the rates from Rate Basis or Group No. 2 of the Southern Railway Company (Table I.) and higher by 2 cents than the rates from Rate Basis or Group No. 1 of that road. They are lower by 1 cent than the rates from Group No. 3, by 2 cents than the rate from Group No. 4 and by 3 cents than the rate from Group No. 5 of that road.

Group or Rate Basis No. 2 of the Southern Railway, as set forth in its lumber tariff, embraces among others, stations from Macon, Georgia to Brunswick, Georgia, inclusive, the Hawkinsville Branch, Columbus and Fort Valley, Georgia, and Group I. embraces, among others, stations on the line from Atlanta, Georgia to Virgin, Georgia, inclusive, the Fort Valley Branch, the Attalla Branch, stations from Phelps, Georgia, to Berwin, Georgia, inclusive, from Lindale, Georgia, to Howell, Georgia, inclusive, and from McDonough, Georgia to Gentian, Georgia, inclusive. (The above group embracing stations on the Southern Railway from Macon to Brunswick, Georgia, inclusive, is referred to in the testimony as Group I., but in the tariff it is designated Rate Basis No. 2).

There is not as much lumber business on the Southern Railway—particularly, from Macon to Brunswick—as on the Georgia Southern & Florida, the Central of Georgia, the Atlantic Coast Line and the Seaboard Air Line roads. The Southern Railway rates appear to be lowest from the groups where there is comparatively little lumber business, and, from much the larger portion of the lumber producing territory of Georgia the rates are higher as shown in the foregoing Tables I., II., III. and IV., than the rates from Louisiana, Arkansas, Mississippi and Alabama, as shown in Table V.

The rates in the foregoing Tables I., II., III., IV. and V., are to the Ohio River crossing, Cairo, Evansville, Louisville and Cincinnati. As before stated, the roads beyond the Ohio charge

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their full local rates from the Ohio River crossings to points of destination in Central Freight Association Territory. Chicago, Ill., Detroit, Mich., Cleveland, O., Indianapolis, Ind., and Pittsburg, Pa., may be taken as representative points of destination in that territory. The rates from the Ohio River crossings to those cities are shown in the table below:

TABLE VI.

From —	To —				
	Chicago.	Detroit.	Cleveland.	Indianapolis.	Pittsburg.
Cairo	10 cts.	14 cts.	15 cts.	9 cts.	18 cts.
Evansville	10	12	14	7	16
Louisville	11	12	13	8	14
Cincinnati	10	10	10	7	10

These rates added to the rate to Ohio River crossings set forth in Tables I., II., III., IV. and V. give the total through rates to the destinations named from Georgia shipping points.

3. There are divisions of the rates south of the Ohio between what are termed the "originating roads" on which the lumber is principally manufactured and the roads intermediate between those originating roads and the Ohio River crossings. The amounts or divisions allowed the originating roads are large in proportion to the lengths of the hauls made by them and in proportion to the balances of the rates left for the intermediate roads. For example, the Southern Railway allows the lines south of Macon from 5½ to 7½ cents out of the rate to the Ohio. This leaves as the proportion of the Southern out of the 16-cent rate from Group 2 to Cairo from 8½ to 10½, which yields a comparatively small rate per ton per mile. The rate per ton per mile, however, under the total rate to the river, which is the rate the shipper has to pay, is materially higher. The advance of 2 cents complained of in this case goes to the intermediate roads, north of Macon, Albany or Montgomery, and none of it to the originating roads or to roads beyond the river.

4. There have been from time to time changes or fluctuations in the lumber rates from the different groups into which, as heretofore stated, the lumber producing districts in Georgia

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have been divided for the purpose of fixing rates. It is not necessary to set forth the changes in all of these numerous groups. We give below a table showing rates at present effective and those which have been in force at various dates since and including April 11, 1887, to the Ohio River crossings from the Southern Railway group embracing, among others, stations on that road between Macon and Brunswick, spoken of, as before stated, in the testimony as Group 1, but designated in the Southern Railway Tariff as Rate Basis 2.

TABLE VII.

Rates from Group 2, Southern Railway.

To —	Apr. 11, 1887.		Sep. 20, 1889.		Nov. 28, 1891.	Sep. 6, 1892.	July 16, 1893.	May 17, 1894.	Sep. 8, 1899.	June 22, 1903.
	B	F	B	F						
Cairo, proper	..	.	20	23	17	17	16	13	14	16
Cairo, beyond	..	..	20	23	17	17	16	13	14	16
Evansville	20	23	20	23	20	19	19	19	20	22
Louisville	20	23	20	23	20	18	18	18	19	21
Cincinnati	20	23	20	23	20	20	20	21	21	23

NOTE. The letters "B" and "F" over the rates in force April 11, 1887, and September 20, 1889, stand for box and flat, the rates on lumber in flat cars having been then 3 cents higher than when hauled in box cars. This difference in rates was made because flat cars used in hauling lumber are, for the most part, returned empty.

From the above table it will be seen that the rates from the Group named to Cincinnati, Louisville and Evansville, as advanced June 22, 1903, are made higher than they had been since November 28, 1891; that the rates to Cairo are made higher than they had been since May 17, 1894; that the rate to Cairo was reduced from 16 cents to 13 cents May 17, 1894, and remained 13 cents to September 8, 1899, a period of about five years and four months, and that at the latter date it was increased to 14 cents and remained 14 cents until June 22, 1903, nearly four years, when the present advance to 16 cents became operative.

Prior to May 17, 1894, as shown by the foregoing Table VII., the rate to Cairo from Georgia Group 2 of the Southern Railway (embracing, as above stated, among others, shipping

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points between Macon and Brunswick) were higher by 3 cents than the rates from Arkansas and territory in Mississippi and Louisiana west of the Mississippi River, but at that date the rates from said Group were made, and have since continued to be, the same as the rates from Arkansas and the said other territory named west of the river. This is not true, however, as to the other groups or rate basing districts in Georgia (See Tables I., II., III., IV., V., *supra*).

The distances to Cairo from lumber shipping points in Arkansas, Louisiana and Mississippi, are less than from Georgia shipping points. The following appear to be approximately correct as average distances to *Cairo*, to wit, from Arkansas, 365 miles; from Louisiana (taking Sibley as a central shipping point), 499 miles; from Mississippi, 412 miles, and from the principal Georgia shipping points, 739 miles.

The average distance from the Georgia shipping points to *Cincinnati* is somewhat less than from Mississippi points. The average distance from Georgia is approximately 665 miles and from Mississippi 701 miles, a difference of 36 miles in favor of Georgia. The rates, however, from much the larger portion of the lumber districts of Georgia are higher to Cincinnati as well as to the other Ohio river crossings than from Mississippi, Alabama, Louisiana and Arkansas. (Tables I., II., III., IV. and V.).

5. After the advance in rates from Georgia points, June 22, 1903, there was a material falling off in the shipments of lumber to the west or points on and north of the Ohio River. In July, August and September, 1903, the shipments through the western gateways of the Herman H. Hetler Lumber Company of Chicago, whose southern office is at Tifton, Ga., were 40 per cent less than they were the preceding year, 1902. The Garbutt Lumber Company, located at Wright, Wilcox County, Ga., 8 miles from Fitzgerald, a station on the Seaboard Air Line Railway, shipped in 1892 to all points 449 carloads of lumber, of which 35 went to Tennessee, Kentucky and the west. In 1903, they shipped only 18 carloads to Tennessee, Kentucky and the west out of 430 carloads to all points. The Stewart Lumber Company, located at Brinson, Ga., a station on the

Atlantic Coast Line, 7 miles from Bainbridge, shipped in August, 1902, to points north of the Ohio, 50 carloads and in September of that year, 63 carloads; in August, 1903, the shipments fell off to 36 carloads and in September, to 20 carloads. The testimony shows a falling off in the shipments to the west by other lumber mill companies throughout Georgia. Shipments of lumber from stations on the Central of Georgia Railway to points on and north of the Ohio river in October, 1902, and 1903, were as follows:

To—	1902		1903	
Points on and north of Ohio river.	Box cars.	Flat cars.	Box cars.	Flat cars.
	6496	2873	6263	1854

This shows a falling off in 1903 to the extent of 233 box cars and 1019 flat cars.

In October, 1902, there were shipped from Georgia points via the Atlantic Coast Line Railroad to the Ohio River points and points north, 27,509,250 pounds of lumber, and in the same month in 1903, 16,475,910 pounds, a decrease of 11,033,340 pounds.

In October, 1902, the Seaboard Air Line Railway transported from Georgia points consigned to the Ohio River points and beyond 98 carloads of lumber, and in 1903, 61 carloads, a decrease of 37 carloads.

The decrease in the shipments to the west was due in part to the smaller demand for lumber by the railroads and the car manufacturing companies in the west, which resulted from the fact that the railroads ceased to make purchases of equipment in the way of cars, etc., to as great an extent as they had been doing. It was also attributable in part to the advance in rate.

The lumber shipped west is for the most part low grade, such as low grade ceiling, decking, car framing, car sills, etc. The high grade lumber goes as a rule east and the shipment of lumber to the east has increased since the advance in the rate. There does not appear to have been an advance in rates from Georgia to New York, Boston and the east, at the time of the advance in rates to the west. Lumber from Georgia moves

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east all-rail and also by water from the coast points, principally Savannah and Brunswick.

Since the advance in the rate the shipments of lumber from Georgia to points south of the Ohio River in Tennessee and Kentucky have increased. In October, 1902, there were shipped to those points via the Central of Georgia Railway 1066 box cars of lumber and 623 flat cars, and in October, 1903, 2524 box cars and 1781 flat cars, being an increase to the extent of 1458 box cars and 1158 flat cars.

6. The rate is the same on all grades of lumber, being as high on low grade lumber of comparatively small value as on high priced, high grade lumber. On many low grade classes of lumber shipped from Georgia to the west, the freight charges exceed the value at the mill. On 14 carloads shipped to the west during March, 1903, *before the advance in rates became effective*, from the mills of the Garbutt Lumber Company, Wright, Wilcox County, Ga., the total mill price of which was $1,036.15, the freight charges were $1,218.67, an excess of $182.52 over the mill price. On the high grades of lumber, comparatively little of which is shipped to the west, the freight charges are, as a rule, less than the value at the mill. The total freight charges on 44 carloads of lumber shipped over the Southern Railway in March, 1903, to western points were $5,823.83 and the total price (whether mill price or market price does not clearly appear) was $7,432.98, the freight charges being about 78 per cent of the price. These 44 cars of lumber were selected out of a list of over 600 for the purpose of showing, as the witness, L. Green (assistant general freight agent of the Southern Railway Company), testified, that "much of the lumber shipped to points on and north of the Ohio River does exceed freight charges in value, and not that all exceeded the freight charges in value." The value per thousand feet of these 44 carloads of lumber ranges from $11 per thousand feet to as high as $31.50, which is much above the average value of low grade lumber at the mills. The percentages of freight charges to *market* value are, of course, less than such percentages to *mill* prices. The witnesses for the defendants name other commodities, the freight charges on which are greater at the point

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of destination than the value of such commodities at the point of shipment; for instance, coal, brick, lime, cement, some kinds of clay, building stone, crushed stone, certain ores, cinders, slack, gravel, sand and sawdust. On no other article of as much value and of as great utility as lumber do the freight charges exceed the price at point of shipment.

7. As appears from statements put in evidence by defendants, the market price of grades A, B, and C yellow pine lumber, consisting, respectively, of 1st and 2d flooring (A), common flooring (B), and dimension stuff and timber under 12" x 12" x 30" (C), in the *Chicago Market*, January 1, 1892, and June 30, 1903, were as follows:

Grade	Prices, January, 1892.	Prices, June 30, 1903.
A	$21 00 to $22 00	$21 00 to $22 00
B	15 00 to 16 00	18 50 to 19 50
C	21 50 to 23 50	19 50 to 22 00

From January, 1892, to June 30, 1903, a period of over eleven years terminating at the time of the advance in rate, there were many variations in the prices. They appear to have been lowest from 1895 to 1899, both inclusive. The prices for the first quarter of each of those years were as follows:

Grade	1895	1896	1897	1898	1899
A	$14 00	$16 00 to 16 50	$12 00	$14 00	$15 00 to 15 50
B	$11 00 to 11 50	$13 00 to 14 00	$10 00	$12 00	$12 50 to 13 00
C	$16 50 to 17 00	$15 75 to 17 00	$15 50	$18 00	$15 00 to 17 00

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Prices from 1899 to and including June 30, 1903, were as follows:

Grade	1900 1st Quarter	1901 1st Quarter	1902 1st Quarter	1903 2nd Quarter ending June 30.
A	$21 25 to 22 25	$19 00 to 20 00	$22 50 to 23 50	$21 00 to 22 00
B	$18 25 to 18 75	$16 50 to 17 00	$18 50 to 19 50	$18 50 to 19 50
C	$18 75 to 21 25	$18 50 to 21 00	$19 50 to 22 00	$19 50 to 22 00

While the prices in the *St. Louis market* on the different grades and dimensions of lumber fluctuated during the period from January 15, 1900, to April 1, 1903, they were not materially different at those dates. In some instances they were somewhat higher in April, 1903, than in January, 1900, in others lower and in others the same.
For example:

	Jan. 15, 1900.	April 1903.
Flooring, Edge Grain A	$26 25	$27 25
Flooring, Edge Grain B	24 75	24 75
Flooring, Flat Grain A	20 75	20 25
Flooring, Flat Grain B	19 75	19 25
Flooring, No. 1 Common	17 75	16 25
Flooring, No. 2 Common	15 25	12 25
Partition A	22 50	21 75
Bevel Siding A	15 25	14 00
Common Boards	17 50	18 00
Fencing	16 50	16 00
Heavy Joists	17 00	17 50

8. The mill men have been unable to add the advance in the rate to the price at the mills and that price has decreased since

the advance in the rate. The decline in price is stated by various mill owners to be from 50 cents to $1.50 per thousand feet. The following statement furnished on the request of this Commission by the Stuart Lumber Company of Brinson, Ga., shows that their average mill price in August, 1902, was $12.41, and in October, 1903, $10.80, a decrease of $1.61.

Month.	Year.	No. cars.	Average price at mill.
August	1902	77	$12 41
September	"	60	11 59
October	"	75	11 79
November	"	47	10 73
December	"	64	10 99
January	1903	60	11 20
February	"	66	11 56
March	"	92	11 15
April	"	100	11 29
May	"	82	11 75
June	"	82	11 02
July	"	69	13 12
August	"	66	11 05
September	"	41	10 39
October	"	47	10 80
		1028	170 84

The mill prices as well as the market prices vary with the grades or quality of the lumber and the witnesses in speaking of the mill prices do not, as a rule, give the grade or quality. From all the testimony on the subject, it is safe to say that the average mill price on all classes is from $11.00 to $12.00 per thousand feet.

The cost of manufacturing the lumber, including "stumpage (which is the standing timber, exclusive of the land), cutting, hauling, tram roads, actual manufacture at the mills and loading on the cars," is given at from $7.50 to $8.00 per thousand. The witnesses do not state whether or not this includes insurance, interest on investment and depreciation of property. (The latter is estimated at 10 per cent per annum.) The Babcock Brothers Lumber Company, whose plant is located at Babcock, Ga., on the Georgia, Florida and Alabama Railroad, make about

$1.00 a thousand profit, and their output is 3,000,000 feet per month, on which at $1.00 a thousand, the monthly profit would be $3,000, and the annual profit on the same monthly output, $36,000. The total investment of this company is $560,000, on which an annual profit of $36,000 would not be quite 6½ per cent. This firm on the result of its business for the year preceding the advance in rates, considered itself justified in doubling its capacity. The data furnished as to other lumber companies in Georgia do not show the profits resulting from their operations. On the whole, it may be said that the lumber business, while it lasts, is fairly, but not exceptionally, remunerative.

After the lumber is all cut from the land, the lumber mill equipment, such as "mill buildings, tenement houses, skids and all the general outside paraphernalia of the mill," become practically worthless. The lumber machinery, except the engines, is not adapted to other purposes, and second hand engines can be sold for very little. Consequently, lumber mill men in their business must anticipate a time when a large part of their investment will become worthless. It is estimated that within ten years seven eighths of the largest saw mills in Georgia will have to go out of business because of the exhaustion of the lumber. The lands after the lumber is cut off become in some parts of Georgia valuable for agricultural purposes, and sell, according to location, at from $1.00 to $6.00 per acre. When they are sold to settlers, they supply a population that furnishes freight to the railroads.

9. The lumber business has been an important factor in building up and sustaining many of the railways in Georgia. Those of them which penetrate the lumber sections, when first built, had little to depend upon except the transportation of lumber and the supplies necessary for the hands and animals engaged in the lumber business, and the machinery used in the lumber mills. If the lumber shipments were cut off from some of them, it would be with difficulty that they could exist in a solvent condition. It is also true that the roads have been essential to the lumber business and it has been their policy to

encourage and assist in its development with a view to increasing their own revenue.

The tonnage of lumber hauled by the defendants is very large in proportion to that of other commodities of general use and necessity. From the table below, made up from the reports of the defendant roads to this Commission, it appears that the tonnage of lumber transported by them during the years 1901, 1902 and 1903, was greater than that of any one of the commodities named therein except bituminous coal. It is many times greater than the tonnage hauled of the principal products of Georgia and the South, such as cotton, fruits and vegetables, naval stores, etc.

Commodity.	Total Freight Tonnage Reported by the Defendant Roads as originating on Their Lines and as Received From Connecting Roads and Other Carriers.		
	1901	1902	1903
	Whole Tons	Whole Tons	Whole Tons
Grain	2,653,711	2,298,034	3,082,143
Flour	926,203	1,025,319	1,317,908
Other Mill Products	418,511	392,867	510,390
Hay	457,150	384,294	520,053
Tobacco	315,150	305,934	365,146
Cotton	995,144	1,140,766	1,274,727
Fruit & Vegetables	511,473	638,626	883,458
Anthracite Coal	61,330	172,620	30,614
Bituminous Coal	9,490,692	11,340,596	12,417,636
Naval Stores	399,691	403,380	681,863
Iron, Pig & Bloom	1,416,564	1,767,129	1,901,929
Iron & Steel Rails	454,546	529,059	604,365
Cement, Brick & Lime	1,280,622	1,417,113	1,774,604
Agricultural Implements	64,995	68,038	65,453
Wagons, Carriages, Tools, etc	60,992	57,924	58,175
Wines, Liquors & Beers	227,687	245,300	286,771
Household Goods and Furniture	101,605	123,103	149,586
Merchandise	2,409,379	2,586,341	2,078,539
Lumber	6,566,407	7,158,122	9,808,463

No accurate statistics as to the extent of the lumber mill business in Georgia have been furnished, but it is estimated that there are about 800 mills in the state, large and small. The to-

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tal investment in the lumber mill business is estimated to be from $10,000,000 to $16,000,000. It does not appear clearly whether or not this estimate includes the land and the standing timber. The total annual output of the mills is said to be approximately 800,000,000 feet, which, at $11 a thousand, about the average mill price, would amount to $8,800,000. Before the increase in rate about one-fourth of the annual output, about 200,000,000 feet, moved to the Ohio River crossings and points north of the river.

The weight of lumber depends upon whether it is green or dried, rough or manufactured and also upon its dimensions. The testimony taken in this and other cases indicates that the average weight of the bulk of the lumber shipped would approximate 3,300 pounds per thousand feet. Based on this weight, the 2 cents advance in the lumber rate would amount to 66 cents per thousand feet and on the 200,000,000 feet shipped to the west before the advance, to $132,000.

10. The operating expenses of the defendant roads have increased from year to year. Those increases are due, for the most part, to the constant growth or enlargement of the business of the roads. The growth in business has resulted from the larger mileage operated, the development of the country traversed by the roads and from advancement in methods of operation and addition to and improvements in equipment of all kinds. The business of the roads, or the tonnage of traffic transported by them, not only in the item of lumber, but also in traffic generally, has been most materially augmented.

The increase in operating expenses is also attributable in part to increases in wages of labor paid by the roads and in the prices of material and equipment required by them, such as steel rails, coal, locomotives and cars of all kinds. The roads have introduced statements showing these increases, which relate principally to the period from 1899 to 1902 or 1903, inclusive.

As heretofore stated (Finding 7) the market prices of lumber in 1902 and 1903 became higher than they had been in 1899, but there has been no material increase in those prices over what they were in 1900. The aggregate amount of lumber purchased

by the roads has greatly increased and in consequence the expenditures therefor have increased. The following table is based upon official reports of the Southern Railway Company and shows for the five years from 1898 to 1902, inclusive, the number of feet of lumber purchased for each of those years by the Southern Railway Company, the total amount paid each year therefor and the cost per thousand feet.

Year.	Feet.	Amount paid for lumber.	Cost per thousand feet.
1898	19,077,510	$202,216	$10 59
1899	23,902,810	235,195	9 84
1900	33,382,100	432,964	12 97
1901	42,961,900	493,192	11 48
1902	43,500,000	553,320	12 72

From the above table it appears that, while the amount of lumber purchased by the road has more than doubled from 1898 to 1902 and the aggregate amount paid therefor has also more than doubled, the cost per thousand feet for the years 1900, 1901 and 1902, has not increased, but on the contrary, was less by $1.49 in 1901 than in 1900 and by 25 cents in 1902 than in 1900.

There have been material increases also in the number of employees of the roads, in the number of locomotives and cars purchased, in the quantity of fuel consumed and material required by the roads, as well as in the prices paid.

The aggregate increases from all causes in the operating expenses of the defendant roads from 1899 to 1903, as reported by them to this Commission, and the percentages of operating expenses to gross earnings for those years are shown in the table below. While operating expenses have grown larger for the reasons stated, and the percentages of operating expenses to gross earnings have increased, there has also been an annual increase in gross earnings to such an extent as to have resulted, as a rule, in an annual increase in net earnings. This appears from the table below, which shows in addition to total operating expenses and gross earnings and the percentages of operating expenses to gross earnings, the net earnings per mile of road and the total mileage operated.

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TABLE A

Name of road, etc.		Gross earnings from operations.	Total operating expenses.	Percentage of operating expenses to earnings.	Net earnings.	Net earnings per mile of road.	Total mileage operated.
Southern	1899	25,353,686	16,500,526	65.09	8,853,160	1.646	5,958.68
Railway	1903	42,338,248	29,786,069	70.35	12,552,179	1.761	7,136.98
Atlantic Coast	1899	6,389,612	3,570,479	55.88	2,819,133	1.605	1,756.75
R. R.	1903	19,676,746	11,889,597	60.42	7,787,149	1.881	4,138.87
Louisville &	1899	24,277,517	16,027,242	66.02	8,250,275	2.621	3,147.94
Nashville R.R.	1903	35,568,483	24,051,927	67.62	11,516,556	3.299	3,491.30
Nashville,	1899	6,579,376	4,411,830	67.05	2,167,546	1.823	1,188.75
Chattanooga &							
St. Louis Ry.	1903	9,564,132	6,995,604	73.14	2,568,528	2.149	1,195.29
Seaboard Air	1899	No Report					
Line Ry.	1903	11,954,010	8,238,178	68.92	3,715,832	1.425	2,610.97
Central of	1899	5,638,129	3,630,761	64.40	2,007,368	1.317	1,532.37
Georgia Ry.	1903	8,975,971	6,634,233	73.91	2,341,738	1.269	1,860.22
Georgia So. &	1899	953,798	660,916	69.29	292,882	1.028	285.00
Fla. Ry.	1903	1,635,191	1,180,075	72.17	455,116	1.270	395.00

In the "total operating expenses" in the above table "A" are included expenditures which result in the permanent improvement or betterment of the property of the roads, such as, expenditures for right of way and station grounds, real estate, grading, tunnels, bridges, trestles and culverts, rails, ties, crossings and cattle guards, telegraph lines, station buildings and fixtures, shops, round houses, turntables, water stations, fuel stations, grain elevators, storage-warehouses, docks and wharves, electric light plants and electric motive power plants, gas making plants, and miscellaneous structures. There are also included expenditures for equipment in the way of locomotives and cars of all kinds.

In the following table, "B," are shown for the years ended June 30, 1901, 1902 and 1903, expenditures by the roads named for permanent improvements or betterments and also for locomotive and car equipment, which expenditures are included in "total operating expenses." The expenditures for the former are under the heading "on account of construction," and for the latter under the heading, "on account of equipment."

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TABLE B

STATEMENT OF EXPENDITURES "INCLUDED IN OPERATING EXPENSES," ON ACCOUNT OF CONSTRUCTION AND EQUIPMENT FROM ANNUAL REPORTS OF THE RAILWAY COMPANIES NAMED FOR THE YEARS 1901, 1902 AND 1903.

Name of Road.	Year Ending June 30.					
	1901		1902		1903	
	On account of Construction.	On account of Equipment.	On account of Construction.	On account of Equipment.	On account of Construction.	On account of Equipment.
Southern Ry.	.....	.....	.....	.....	$493,358	$1,350,328
Atlantic Coast Line R. R.	.....	.....	.....	.....	.....	.....
Louisville & Nashville R R.	$1,218,273	$313,525	$1,060,887	$428,220	1,482,550	518,820
Nashville Chattanooga & St. Louis Ry.	226,253	2,961	293,700	171,484	449,347	677,721
Seaboard Air Line Ry.	.....	.....	.....	.....	.....	.....
Central of Georgia Ry.	.....	.....	.....	190,301	.....	358,979
Georgia Southern & Florida Ry.	179,167	64,445	105,768	138,955	166,806	144,326
Macon & Birmingham Ry. Co.	.....	.....	.....	.....	.....	.....

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There was a long period of business depression in the South during which the roads not only could not make improvements in their equipment, roadbed and other property, but were also unable to maintain their various properties in proper or first class condition. When that period passed away, unusual expenditures were required for new engines, new car equipment, the replacing of wornout rails and in other ways necessary to put the roads in good condition and enable them to handle their largely increased business.

The expenses of the saw mill business have increased in like manner as the expenses of the railroads. There has been an advance in the cost of nearly everything that goes into the manufacture of lumber, such as labor, feed for stock, oil, stumpage, etc.

12. The financial condition of the principal defendants appears to have steadily improved for a number of years up to and including the year 1903, in which the advance in rates complained of was made. They were comparatively prosperous at the date of and for years prior to the advance.

The Southern Railway Company has declared dividends for each year from 1897 to 1903, both inclusive, ranging from $543,000 (1 per cent on $54,300 of preferred stock), in 1897, up to $4,500,000 (7½ per cent on $60,000,000 of preferred stock) in 1903. That road also reports surpluses of from $464,013, in 1898, to $2,100,897 in 1902.

The Louisville & Nashville Railroad Company has declared dividends for each year from 1899 to 1903, both inclusive, ranging from $1,848,000 (about 3½ per cent on $54,912,520 of common stock), in 1899, up to $3,000,000 (5 per cent on $60,000,000 of common stock), in 1903. That road also reports surpluses of from $40,204, in 1899, to $2,987,195, in 1903.

The Atlantic Coast Line Railroad Company has declared dividends for each year (except year 1900) from 1894 to 1903, both inclusive, ranging from $318,399, in 1894 (5½ per cent on $323,500 of preferred stock, and about 5 per cent on $7,021,950 of common stock), up to $1,714,075 (5 per cent on $1,744,100 of preferred stock and 5 per cent on $36,-

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650,000 of common stock), in 1903. The surpluses reported by that road are from $86,875, in 1894, to $1,293,983, in 1903. In 1900 no dividend was declared, but there was a surplus reported of $2,152,406.

The Nashville, Chattanooga & St. Louis Railway Company declared dividends ranging from $100,000, in 1899 (being 1 per cent on $10,000,000 of common stock) to $400,000 in 1895, 1896, 1897 and 1898, being 4 per cent on $10,000,000 of common stock. For each year from 1900 to 1903, that road reported surpluses ranging from $566,907, in 1900, to $823,480 in 1903.

The Georgia Southern & Florida Railway Company declared dividends for each year from 1897 to 1903, ranging from $27,360 (being 4 per cent on $684,000 of preferred stock) in 1897, up to $99,240 in 1901 (being 5 per cent on $684,000 of preferred stock and 6 per cent on $1,084,000 of preferred stock), in 1903. For each of the years 1902 and 1903, it declared a dividend of $77,560. The surpluses reported from 1896 to 1903 range from $9,657 to $107,060 in 1896. The surplus for 1901 was $24,165; for 1902, $41,448; and for 1903, $77,968.

The Seaboard Air Line Railway Company has declared no dividends, but reports surplus of $252,676 for 1901, $769,331 for 1902, and $754,431 for 1903. The Central of Georgia Railway Company declared no dividends but reports surpluses for each of the years from 1899 to 1903, both inclusive, ranging from $58,888 in 1899 to $203,506 in 1903. The Macon & Birmingham Railway Company has declared no dividends and reports a deficit for each of the years from 1894 to 1903, both inclusive, ranging from $29,099 in 1902 to $96,715 in 1894. The deficit reported for 1901 was $34,313, for 1902, $29,099 and for 1903, $45,949.

13. No special equipment in the way of cars is furnished or required for hauling lumber. Box cars, flat or open cars and gondolas, which are used in handling other traffic, are furnished by the carriers for hauling lumber. The proportion of box and flat cars (the latter including gondolas) used varies with the different roads and depends upon the length of the lumber. A

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large amount of lumber, because of its length, cannot be shipped in box cars and requires the open or flat cars. Of the lumber shipped west, it is estimated from 50 to 60 per cent goes in flat cars. The flat car is the cheapest car built by the roads and it costs somewhat less and is easier to load than a box car. The rates on the flat cars, while now the same, were formerly higher than on box cars; having been at one time higher by 7 cents and afterwards 3 cents. The difference in rates is stated to have been made because box cars are more adapted to other freight besides lumber than are open cars and fewer of the former therefore return empty. Much the larger portion of the box cars come south loaded with grain and merchandise. A large proportion, estimated at from 85 to 100 per cent, of the flat cars return south empty.

It is necessary that open or flat cars of lumber be equipped with standards, braces and supports, for the purpose of protecting the load and train, and this equipment is required to be furnished and attached to the car by the shipper. The witnesses for complainants and for defendants vary widely as to the cost of this equipment. Where the Master Car Builders' Association rules as to the nature or equipment and character of lumber to be used are complied with, the cost per car including value of lumber, labor, nails and freight on weight of equipment, is approximately $3.50 per car. The standards and other equipment have to be removed at the end of the trip and it is necessary that the shipper attach new equipment for each shipment. This equipment is not required where box cars are used. There are similar requirements as to the equipment of open or flat cars used in shipping other commodities which are shipped in those cars, such as furniture, carriages and machinery, &c.

14. Shippers of lumber endeavor to put into or on the car all it will hold, but it is seldom practicable to load a car to its full stenciled or marked capacity. The loading of a car to capacity depends upon the car furnished, whether it is of the proper length or not, and upon the lumber, whether it is green or dry. The box cars that are furnished for the movement of lumber are built primarily to handle grain and merchandise and cannot be loaded with lumber to their full capacity unless

the lumber is cut of such length as to occupy all the cubical space. The loading more nearly approximates the capacity of the car in case of green than in dried lumber.

In March, 1903, there were moved via the Southern Railway from points in Georgia and Florida to Ohio River points and beyond 674 cars of lumber. The average load of these cars was 46,794 pounds. The flat cars, 346 in number, loaded to 86.5 per cent of the capacity of the cars and the box cars, 328 in number, loaded to 81.6 per cent of capacity.

In March, 1903, the Louisville & Nashville Railroad hauled from Georgia 655 carloads of lumber. The average loading of these cars was 43,537 pounds, and the box cars loaded to 77.3 per cent of their capacity and the flat cars to 72.1 per cent of their capacity.

In January, February and March, 1903, the Central of Georgia Railway Company hauled 1454 cars of lumber which averaged 35,041 pounds per car, being 76.79 per cent of car capacity.

The carloads of lumber hauled by the Seaboard Air Line Railway in the month of October, 1901, 1902 and 1903, averaged from 68.6 per cent to 79.7 per cent of the loading capacity of the cars used.

The loading of lumber in the cars furnished is less than that of stone, coal, iron, and, perhaps, some other articles, but it is equal to or greater than that of most other commodities. The following table taken from our report and opinion in the case of the Central Yellow Pine Association v. Illinois Central Railroad Company, et al., gives the loading of certain commodities named therein other than pine lumber and the percentages of loading to car capacity.

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	Number of cars.	Loading. (Pounds).	Car Capacity. (Pounds).	Loading percentage of car Capacity.
Cypress Lumber	17	595,100	738,000	81 11
Oak Lumber	8	384,450	490,000	78 47
Cypress Shingles	17	716,600	1,060,000	67 75
Sash Weights	6	253,808	400,000	63 38
Window Glass	9	433,800	610,000	71 00
Cement	20	780,750	1,170,000	66 70
Lime	15	379,400	846,000	44 32
Fertilizer	27	1,089,200	1,630,000	66 79
Cotton Seed Meal	8	250,000	450,000	55 00
Cotton Seed Hulls	38	1,947,400	2,228,000	47 00
Live Stock	6	138,240	340,000	40 60
Furniture	3	39,800	180,000	22 11
Coal	4	241,700	270,000	89 50
	178	6,350,308	10,412,000	

15. Lumber is a constant business for the roads throughout the year; it is loaded by the shipper and unloaded by the consignee; it is not perishable traffic, and therefore, does not require rapidity of movement; there is little or no risk incident to its carriage and in case of accidents the damage is, as a rule, insignificant.

Conclusions.

1. It is alleged in the answer of the defendants—and their counsel insist that the issue thus presented shall be passed upon by us—that the by-laws and constitution of the Georgia Saw Mill Association "constitute a contract or combination in the form of a trust, or otherwise," in contravention of the Act of Congress of July 2, 1890, known as the "Anti-Trust Act;" that the complainants as members of the association are acting in violation of that law; that they, therefore, do not come before this Commission with clean hands and "should not be allowed to maintain their bill of complaint in this case." In the view we take of this matter, it is not necessary to determine whether or

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not the allegation as to the character of the by-laws and constitution of the association and of the action of the complainants as members thereof, be true. In the first place, the complainants constitute but a small portion of the membership of the association, and the association, as such, is not made a party complainant. In the next place, a proceeding like the present before this Commission, although instituted by and in the name of parties complaining of injury to themselves from alleged violations of law, is not a strictly private or personal suit into which a party complainant must enter with "clean hands," but is a proceeding for the enforcement of a public duty as well as of an individual or private right.

The Act to regulate commerce provides that this Commission "may institute an inquiry of its own motion" into a matter of the kind involved in this case "in the same manner and to the same effect as though complaint had been made," and that, where complaint is made, such complaint shall not, "at any time be dismissed because of the absence of direct damage to complainants." In these cases, therefore, the complaint is in the nature of an information and the complainants occupy, in part, at least, the attitude of informers. In the case of the *Interstate Commerce Commission* v. *Southern Pacific Company, et al.*, (132 Fed. Rep. 829), there was involved an order of this Commission forbidding the enforcement by defendants therein of a rule whereby they reserved to themselves, as initial carriers, the right of routing citrus fruit traffic beyond their own lines and denied this privilege to shippers. The defendants contended that, even if the rule was unlawful, the complainants (shippers) were not entitled to relief, because they had used the privilege of routing for the purpose of securing rebates and desired to retain it for that purpose. In overruling this contention the Court says:

"With reference to defendants' contention, that the complainants before the Interstate Commerce Commission were there with unclean hands, it is only necessary to say, that, in this Court, the Commission represents the public at large and therefore no participation by said complainants in the unlawful practice of rebates could bar relief." (132 Fed. Rep. 847.)

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The same principle applies in a case like the present before this Commission. The complainants represent "the public at large," as well as themselves. The public interested includes consignees, consumers and others, as well as shippers and producers or manufacturers.

2. The complainants, on the other hand, charge in their complaint that, in the matter of the increased rates complained of, "the lumber carrying roads, defendants herein, have acted in concert through the medium of defendant, the Southeastern Freight Association, to effect the lessening of competition in transportation rates and facilities and the exaction of higher transportation charges than would be maintained under conditions of unrestrained competition."

It is claimed by the railway companies that in advancing the rates, they acted independently, each for itself, and not through the agency of the Southeastern Freight Association. Whether or not they made use of the Association as a medium or agency is immaterial. The proof shows conclusively that the advance was the outcome of concert of action and a previous understanding between the companies. Through their authorized official representatives they conferred with each other repeatedly as to the making of the advance; recognized the fact that, because of competition in common markets between the lumber producing districts served by them, the advance should be from all those districts or none; and finally they all promulgated the advance to take effect at exactly the same date and for exactly the same amount. This concurrence of action was not only between the railway companies, parties defendant in this case, and in relation to rates from Georgia shipping points, but was participated in by the lumber hauling roads serving the territories both west and east of the Mississippi River, in Arkansas, Louisiana, Mississippi, Alabama and Florida.

It is insisted in behalf of the defendant, that, while there may be this concert of action, it does not amount to an unlawful agreement under the so-called "Anti-Trust Act."

As we have said in our opinion in the case of *The Central Yellow Pine Association* v. *Illinois Central Railroad Company, et al.* (*ante*, 561), "We deem it unnecessary to express an opinion

on this point, the enforcement of that act being a matter properly cognizable by the Courts. It is clearly, however, within the scope of our authority and duty to consider this joint or concerted action of the defendants in the aspect of its bearing upon the reasonableness and validity of the advanced rate, the result of that action. Where rates are established by concert of action and previous understanding between the carriers, it is manifest, whether or not there be a binding agreement to maintain such rates, that the element of competition is eliminated. Concert of action is wholly inconsistent with competition and, during the time the rates fixed by concert of action are maintained, the effect, so far as competition is concerned, is the same as if there was a binding agreement to maintain such rates.

"Competition is favored by the laws. The object of the pooling section (Section 5) of the Interstate Commerce Act is to prevent, 'any contract, agreement, or combination' between otherwise competing carriers by which competition between them may be done away with. In *East Tenn., Va. & Ga. Railway* v. *Interstate Commerce Commission*, it is said, 'The Interstate Commerce Law, it is conceded, was intended to encourage normal competition; it forbids pooling for the very purpose of allowing competition to have effect.' (39 C. C. A. 422, 99 Fed. Rep. 61.) The Supreme Court holds that the suppression of competition is violative of the so-called 'Anti-Trust Act,' in that, such suppression restrains trade and commerce by 'keeping rates and charges higher than they might otherwise be under the laws of competition.' (*Joint Traffic Association Case*, 171 U. S. 569, 571, 577, 43 L. ed. 287, 288, 290, 19 Sup. Ct. Rep. 25; *U. S.* v. *Freight Association*, 166 U. S. 341, 41 L. ed. 1027, 17 Sup. Ct. Rep. 540.)

"The ground upon which competition is favored is that it conduces to the reasonableness of rates or to the protection of the public from unreasonably high or excessive rates. In *United States* v. *Freight Association, supra*, the Supreme Court says, 'competition will itself bring charges down to what may be reasonable' (166 U. S. 339, 41 L. ed. 1027, 17 Sup. Ct. Rep. 540). The Act to regulate commerce (section 1), in prohibiting un-

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reasonableness of rates, in effect forbids whatever conduces to such unreasonableness. In any event, it is incumbent upon this Commission, when the reasonableness of rates is in issue before it, to consider how those rates were brought about—whether they are the product of untrammeled competition or the result of a concert of action or combination between the carriers establishing and maintaining them. The advanced rates complained of cannot be claimed to be the outcome of competition, because 'the natural, direct and immediate effect of competition is to lower' (171 U. S. 577, 43 L. ed. 290, 19 Sup. Ct. Rep. 25), rather than advance, rates. The advanced rates must be presumed to be higher than rates which unrestrained competition would produce."

3. The present advanced rate is the last (up to date) of a series of advances, all made by joint or concerted action of the carriers. The advances differ in amount from the different groups into which Georgia is divided. From group 2 of the Southern Railway (to which the testimony of the defendants chiefly relates), the increase in rates has been 3 cents since May, 1894, and 2 cents since September, 1899. For the 5 years and 4 months from May, 1894, to September, 1899, the Cairo rate from that Group was 13 cents, and for about 4 years from September, 1899, to the date of the last advance in June, 1903, the rate was 14 cents. From the other groups, in most cases, the increases since 1894 have amounted to 4 cents. From all the groups the present advanced rates to Cincinnati, Louisville and Evansville are higher than they have been since 1891, a period of over 12 years. For instance, the Cincinnati rate from the majority of the groups is now 4 cents higher than it was in 1892. From Georgia group 2 of Southern Railway the Cincinnati, Louisville and Evansville rates are 3 cents higher than since 1891. (Finding 4.)

The maintenance of materially lower rates for such long periods of time brings this case within the rule that, "Where an advance is made in rates which have long been maintained and the evidence shows that the traffic affected is large, important and constantly increasing, the advance will be held unjust, un-

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less it is satisfactorily explained." (Am. & Eng. Enc. Law, 2d ed. Vol. 17, p. 133).

The defendants do not attempt to justify the advance on the ground that the previous rate was unremunerative. The justifications set up are consistent with the remunerativeness of that rate. In their answer they allege, among other things, that, if the advance is not allowed, "the result will be to prevent the respondents and other railroads in the South from sharing to any extent whatever in the phenomenal prosperity of the business in the regular grades of lumber."

The lumber business, it is true, has grown from its inception, but the proof does not show that for the two or three years preceding the advance the prices of the mill products had materially increased or that the profits realized on the business were phenomenally large. (Finding 8.) However that may be, it is clear that, if a rate on an article of traffic is already remunerative, the increased prosperity of the business of manufacturing that article is no ground for an advance of the rate. The claim to the contrary on the part of the carriers is based upon the erroneous assumption, so prevalent among traffic managers that a rate may be made high as "the traffic will bear." On this point we quote what was said by us in the case of *The Central Yellow Pine Association* v. *Illinois Central Railroad Company, et al.* (*ante*, 561).

"The test of the reasonableness of a rate is not the amount of the profit in the business of a shipper or manufacturer, but whether the rate yields a reasonable compensation for the services rendered. If the prosperity of the manufacturer is to have a controlling influence, this would justify a higher rate on the traffic of the prosperous manufacturer than on that of one less prosperous. The right to participate in the prosperity of a shipper *by raising rates* is simply a license to the carrier to appropriate that prosperity, or in other words, to transfer the shipper's legitimate profit in his business from the shipper to the carrier."

The carriers necessarily and justly participate in the increased prosperity of their patrons in the resultant enlargement of their own business. This appears to be the case with these

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defendants as the tonnage of lumber shipped over their lines and their revenue therefrom have steadily grown in amount. Take the two years, 1901 and 1902, immediately preceding the present advanced rate, and 1903 the year of the advance; the lumber tonnage of defendants has grown in those years from 6,566,407 tons in 1901, to 9,808,463 tons in 1903, an increase of 3,242,056 tons. (Finding 9.)

The business of the defendants, not only in lumber, but in traffic in general, has grown and is growing largely, and in view of the fact, that they derive their franchises, or "right to exist" from the public, the lumber shippers, as part of the public, might plausibly, to say the least, claim that they have a right to participate in the prosperity of the defendants by having their rate reduced rather than advanced. The general rule is, the greater the tonnage of an article transported, the lower should be the rate. No rule is more firmly grounded in reason or more universally recognized by carriers. It is because of the greater density of traffic north of the Ohio River in Central Freight Association Territory and in the Eastern Territory that rates in general are made materially lower in those territories than in Southern Territory.

4. Although both the net and gross earnings of the defendants have grown from year to year, the percentages of what are reported by the defendants as "operating expenses" to earnings have also increased (Table A, Finding 10), and this is urged as showing the necessity for an advance in the lumber and some other rates. It is to be noted, that these operating expenses embrace large annual expenditures for real estate, right of way, tunnels, bridges and other strictly permanent improvements and also for equipment, such as locomotives and cars. (Finding 10.) While payments for repairs, whether applied to permanent improvements or equipment, are properly chargeable to current annual operating expenses, this would not appear to be the case as to the improvements or equipment themselves—the former being permanent and the latter lasting for many years. The expenditures for permanent improvements and for equipment made in a single year may obviate the necessity for like

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expenditures or expenditures to the same extent for many years to come and the extraordinary amount of such expenditures made by the defendants in a few years preceding and including the year of the advance in the rate indicates that this will be the case with them. There was, as stated in our finding of fact (Finding 10), a long period of business depression in the South during which the roads not only could not make improvements in their equipment, roadbed and other property, but were also unable to maintain their equipment and various properties in proper or first class condition. When that period passed away, unusual expenditures were required for new engines, new car equipment, the replacing of worn out rails and in other ways necessary to put the roads in proper condition and enable them to handle their largely increased business. As these expenditures were included in the operating expenses reported by the roads, the latter became exceptionally large, reaching a percentage of gross earnings which it is not probable will be maintained in the future. It appears that the demand by the roads for lumber and car equipment has diminished and that this is in part the cause of the reduction of the tonnage of timber shipped west from Georgia.

If permanent improvements are not included in the operating expenses of the defendants and if only such expenditures for equipment as are properly chargeable to a single year are so included, the percentages of operating expenses to gross earnings will be materially reduced.

The total annual increases in operating expenses, however, are mainly attributable to the constant growth or enlargement of the business of the roads. The greater the volume of business, the greater is the aggregate cost of conducting it, or in other words, of operating the roads.

The operating expenses have also, as shown by our findings of fact (Finding 10) been made larger by higher wages paid employees and advanced prices of material and equipment. It is to be borne in mind, however, that the cost of the manufacture of lumber has increased in like manner as the expenses of the railroads. There has been an advance in the cost of nearly

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everything that goes into the manufacture of lumber, such as labor, feed for stock, oil, stumpage, &c.

5. As before stated, the advance in the rate is not sought to be justified on the ground that the rate in force was unremunerative or not a reasonable return for the service rendered. The principal ground urged is that additional revenue was needed to meet increased expenses and that, in the language of one of the principal witnesses for the defendant, they "looked around to see where they could best get that additional revenue and one of the commodities which they thought would *bear* the advance was lumber."

Carriers have no right to advance a rate which is already reasonably high and which yields an adequate return for the service rendered, solely because additional revenue is needed. In *Smyth* v. *Ames* (169 U. S. 547, 42 L. ed. 849, 18 Sup. Ct. Rep. 418), the supreme Court held that "the public is entitled to demand that no more be exacted from it for the use of a public highway than the services rendered by it are reasonably worth." . . . "It cannot therefore be admitted that a railroad corporation maintaining a highway under the authority of a state may fix its rates with a view solely to its own interests and ignore the rights of the public." In *Covington & Lexington Turnpike Road Co.* v. *Sandford* (164 U. S. 596, 597, 41 L. ed. 566, 17 Sup. Ct. Rep. 198), it is said: A corporation "is not entitled, as of right and without reference to the interests of the public, to realize a given per cent upon its capital stock. . . . Stockholders are not the only persons whose rights or interests are to be considered. The rights of the public are not to be ignored. . . . The public cannot properly be subjected to unreasonable rates in order simply that stockholders may earn dividends."

It is clear, therefore, that the mere fact of the need of additional revenue to meet increased expense does not justify the advance in the rate on lumber.

It is said by the witness above referred to that lumber was selected because it was thought lumber would *"bear the advance."* This excuse for selecting lumber is based upon the erroneous idea, hereinbefore alluded to, that any rate is justi-

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tiable under which "the traffic will move." Conceding for argument's sake that this is a proper test, the evidence tends strongly to show that the lumber shipped from Georgia to the West was not of the character to bear the advance. That lumber was, for the most part, low grade lumber of comparatively small value. A rate under which an article of high value will move may be prohibitory when applied to an article of comparatively little value. On many of the low grade classes of the lumber shipped from Georgia to the West, the freight charges *under the rates prior to the advance* equaled, and in some cases exceeded, the value at the mill. The rate being the same on all grades of lumber, the advance affected more seriously the shipments of low grade than of high grade lumber. The natural effect or tendency of a material increase in a rate on a commodity, is to restrict the territories or markets to which that commodity can be profitably shipped. The advance in the rate June 22, 1903, was followed by a material falling off in shipments of lumber from Georgia to the West. The decrease in shipments appears to have been in part due to the diminished demand for lumber by the railroads and the car manufacturing companies in the West, but it was also attributable largely to the advance in the rate.

6. It is urged in behalf of the carriers that "for the transportation of lumber they are compelled to haul a large number of flat cars to the mills empty," and that "it is a common practice for shippers of lumber to load the cars below their capacity." These are conditions which are properly taken into account by carriers in fixing rates and which, presumably, were considered by the defendants in establishing and maintaining the lower rates so long in force prior to the advance. There is no claim that the hauling of empty cars to the mills and the alleged underloading originated or had increased at the date of the advance and had not been previously taken into account.

As to empty cars, the proof is that box cars when brought south for lumber, are for the most part, loaded, but that from 85 to 100 per cent of the flat cars brought south for lumber (and which constitute from 50 to 60 per cent of the total number of cars used in hauling lumber) come south empty. (Find-

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ing 13.) It also appears that a portion of the box cars which come from the west would return empty but for lumber. As to loading, the proof is that the shippers load such cars as are furnished them to as near their capacity as is practicable, but it is impracticable, as a rule, to load to full capacity, either because, as contended by complainants, the cars are not adapted to the dimensions of the lumber, or, as contended by the carriers, the lumber is not adapted to the dimensions of the cars. As it is, the loading of lumber is equal to or greater than that of a large number, if not most, of the principal commodities transported by the defendants. (Table, Finding 14.)

7. For the purpose of showing the reasonableness of the lumber rate, it is compared with the rates on other commodities produced in South Carolina, Georgia and Florida and shipped to the central west, such as "oranges, pineapples, watermelons, peaches and other fruit, rosin, turpentine, pyroligneous products, cotton seed oil, and cotton factory products." Important among the controlling factors in fixing rates are value, volume, risk and cost of handling. The rates are per hundred pounds or, in other words, based on weight. Lumber is much less valuable per weight than most, if not all, the above articles and its volume is many times greater. The larger portion or nearly all of the above articles are what are termed perishable and, therefore, involve greater risk and greater cost in handling than lumber. The rates on lumber, therefore, should be not only not as high as, but materially less than, the rates on those articles. The rate on lumber prior to the advance appears to have been a reasonably high rate when compared with the rates on other commodities which are at all analogous to lumber in respect to value, volume, risk, cost of handling and the various other circumstances and conditions affecting the transportation of traffic.

8. The defendants, other than the originating roads, complain of the small amount of revenue or low rate per ton per mile realized by them out of their proportions of the through rates. This is due to the large allowances out of the rates made to the originating roads. (See Finding 3.) Those allowances commenced under the lower rates in force prior to

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the advance and raise the presumption that those lower rates minus the allowances were then considered reasonably remunerative for the remainder of the hauls to the Ohio River crossings. As the advance of 2 cents goes entirely to the roads continuing the transportation on to the Ohio and none of it to the originating roads, the inference is that the advance was made solely with a view of increasing the proportions of the former roads. If the allowances to the originating roads are unreasonably large, as they appear to be from a distance standpoint, and result in unreasonably low proportions to the other roads, this cannot be remedied by an advance in the total through rates *charged the public*. It is the total rate, and not its proportions, which is in issue.

9. While the railways in Georgia have been essential to the development of the lumber business and it has been their policy to encourage and assist in its development, that business has been an important factor in building up and sustaining many of those railways. The roads which penetrate the lumber sections, when first built, had little to depend upon except the transportation of lumber and of the supplies of all kinds required in its manufacture. This should predispose the railways, as far as practicable without discriminating against other traffic and without doing injustice to themselves, to favor the lumber industry and cause them to abstain from placing any additional burden or tax upon that industry except in a clear case of necessity. In this connection it is proper to consider that, while the business of the railways may be said to be permanent, the lumber business has a limited tenure of life, the evidence being that within about ten years the yellow pine forests of Georgia will have been exhausted and the large investments of lumber manufacturers in their plants, including buildings, machinery and tram roads, will have become practically valueless. (Finding 8.)

Under the materially lower rates in force for many years prior to the advance of June 22, 1903, the lumber business had been a paying business to the roads. Their net revenue grew larger from year to year during that period and, as the tonnage of lumber also constantly increased, the increase in net revenue

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may be fairly attributed in part to lumber. Lumber is an inexpensive freight and only a few other commodities furnish to carriers so large a tonnage. The transportation of lumber is a constant business, yielding the carriers revenue throughout the year. No special equipment is constructed or furnished for its carriage. It is loaded by the shipper and unloaded by the consignee, and where flat or open cars are furnished, the shipper is required at considerable expense to equip them so as to protect the lumber and the train. It is not what is known as, "perishable traffic" and does not require rapidity of movement; there is small risk incident to its transportation, and, in case of accident, the damage is insignificant. Lumber is moreover an article of general utility. For these and other reasons lumber should be given rates which are relatively low.

We find and conclude that the said advance of 2 cents per hundred pounds in the rates on lumber from the said shipping points in Georgia to the said Ohio River Crossings made effective June 22, 1903, was not warranted by the facts, circumstances and conditions disclosed by the testimony, and that the increased rates then put in force are unreasonable and unjust.

An appropriate order will be issued in accordance with these conclusions.

KNAPP, *Chairman*, and FIFER, *Commissioner*, dissenting:

In the view we take of this case the conclusions of our associates are not justified by the facts and circumstances appearing in the record or otherwise entitled to consideration. Holding that the rates complained of have not been shown to be in violation of law we respectfully dissent from the foregoing report and opinion.

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1185 At a General Session of the Interstate Commerce Commission Held at its Office in Washington, D. C., on the 7th Day of February, A. D. 1905.

Present: Hon. Martin A. Knapp, chairman; Hon. Judson C. Clements, Hon. James D. Yeomans, Hon. Charles A. Prouty, Hon. Joseph W. Fifer, Commissioners.

H. H. TIFT, W. S. WEST, J. LEE ENSIGN, J. S. BETTS & COMPANY, Garbutt Lumber Company, Alapaha Lumber Company, and Southern Pine Company

v.

SOUTHERN RAILWAY COMPANY, ATLANTIC COAST LINE RAILROAD Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, and The Southeastern Freight Association, and S. F. Parrott, Chairman of said Southeastern Freight Association.

This case being at issue upon complaint and answers on file, and having been duly heard and submitted by the parties, and full investigation of the matters and things involved having been had and the Commission having, on the date hereof, made and,
1186 filed a report and opinion containing its findings of fact and conclusions thereon, which said report and opinion is hereby referred to and made a part of this order:

It is ordered, That the advance of 2 cents per 100 pounds, established on June 22, 1903, over rates previously in effect for the transportation of lumber in car-loads from shipping points on the respective lines of the defendant railroad companies in the State of Georgia to Cincinnati, Louisville, Evansville, Cairo, and other points on the Ohio river commonly called and known as Ohio River points, which said advance has since been maintained and enforced by the defendants, was and is excessive, unreasonable and unjust and in violation of the provisions of the act to regulate commerce, and the rates and charges resulting from the said advance made by defendants (which said rates and charges are more specifically referred to in said report and opinion) are also excessive, unreasonable and unjust, and in violation of the provisions of the act to regulate commerce; and that the defendants, The Southern Railway Company, The Atlantic Coast Line Railroad Company, The Louisville & Nashville Railroad Company, The Nashville, Chattanooga & St. Louis Railway Company, The Seaboard Air Line Railway, The Central of Georgia Railway Company, The Georgia Southern &

Florida Railway Company, and The Macon & Birmingham Railway Company, be, and each of them is hereby, notified and required to cease and desist, on or before the first day of April, 1905, from further maintaining or enforcing said unlawful advance of 2 1187 cents per 100 pounds, or the said unlawful rates and charges resulting therefrom, for the transportation of lumber as aforesaid.

And it is further ordered, That a notice embodying this order be forthwith sent to each of the defendant corporations, together with a copy of the report and opinion of the Commission herein, in conformity with the provisions of section 15 of the act to regulate commerce.

PART III.

Supreme Court of the United States

No. 601.

SOUTHERN RAILWAY COMPANY, ET AL.,
Appellants,

versus

H. H. TIFT, ET AL.,
Appellees.

Transcript of Record on Appeal from the United States Circuit Court of Appeals for the Fifth Circuit to the Supreme Court of the United States.

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Office Supreme Court, U. S.
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CLERK.

TRANSCRIPT OF RECORD.

PART III.

UNITED STATES
CIRCUIT COURT OF APPEALS

FIFTH CIRCUIT.

NO. 1495

SOUTHERN RAILWAY COMPANY, ET AL.,
Appellants,

versus

H. H. TIFT, ET AL.,
Appellees.

Appeal from the Circuit Court of the United States for the Southern District of Georgia.

[ORIGINAL RECORD FILED AUG. 14, 1905.]



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562 STIPULATION AS TO EVIDENCE TAKEN BEFORE INTERSTATE COMMERCE COMMISSION.

In the Fifth Circuit Court of the United States for the Southern District of Florida.

H. H. Tift, et al.,

vs.

Southern Railway Co., et al.

In this case it is stipulated and agreed by counsel for complainants and defendants as of record that the testimony, including the exhibits thereto taken before the Interstate Commerce Commission in the case of H. H. Tift, et al., vs. Southern Railway Company, et al., and which is to be printed, may be filed in this case and in this Court, and have the same force and effect as if the same had been taken in this case and in this Court subject only to objections by either party on the ground of relevancy. All objections for form being expressly waived.

This stipulation, however, is not to prevent either party from applying to the Court for leave to take any additional testimony that the Court may think needful to enable it to form a just judgment in this case.

March 28th, 1905.

ELLIS, WIMBISH & ELLIS,
Solicitors for Complainants.
ED. BAXTER,
Solicitor for Defendants as of Record.

Indorsement: No. 514. U. S. Circuit Court, Western Division, Southern District of Georgia. In equity. H. H. Tift et al. vs. Southern Railway Company et al. Stipulation as to evidence taken before Interstate Commerce Commission. Filed April 6th, 1905. L. M. Erwin, Deputy Clerk.

563 SUPPLEMENTAL BILL, AND ORDER THEREON.

April 27th, 1905.

In Equity.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

Bill.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company, and Southern Pine Company

vs.

Southern Railway Company, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, and the Southeastern Freight Association and S. F. Parrott, Chairman of said Southeastern Freight Association.

Supplemental Bill.

To the Honorable the Judges of said Court:

Your orators, the complainants in the above entitled cause, present this their supplemental bill against the above named defendants and represent unto the Court as follows:

1st. Heretofore, to-wit: on the 17th day of April, 1903, your orators filed in this Honorable Court their original bill against the above named defendants, alleging that the said defendants had announced and would forthwith put into effect an increase of two cents a hundred pounds in the rate on lumber from Georgia points to Ohio river destinations and beyond; that such advance was unreasonable and unjust and would result in irreparable injury to your orators.

564 It was prayed that such advance be enjoined as in violation of the Act of Congress to regulate interstate commerce, that the Court would decree the then existing rates between the points designated to be unjust, unreasonable and illegal; that the Southern Freight Association be

declared an illegal combination in restraint of interstate trade, and for general relief and subpoena. Upon this bill a temporary restraining order was issued and the cause assigned for a hearing under the rule granted. To the bill the defendants filed a general demurrer to the jurisdiction, both as a Court of the United States and as a Court of equity. The cause came on to be heard under the rule and the demurrer, whereupon the Court on the 16th day of May, 1903, after hearing evidence and argument of counsel, overruled the demurrer, sustained the jurisdiction of the Court, dissolved the temporary restraining order, and entered an interlocutory decree, providing among other things that should the defendants enforce the rates complained of and the complainants should make proper application to the Interstate Commerce Commission to redress their alleged grievances, the Court would entertain a renewed application for injunction pendente lite against the enforcement of such rates, and that on presentation to the Court of the report of the Commission, such other action would be taken as would be conformable to law and the principles of equity. All of said pleadings and the orders of the Court thereon are of record in this Court and in this cause, to which your orators pray the usual leave of reference.

2nd. Thereafter, to-wit: on the 22nd day of June, 1903, the defendants put into effect the increase in rates on lumber complained of, whereupon your orators, acting upon the suggestion contained in said interlocutory decree, presented their complaint to the Interstate Commerce Commission, praying that said advance be declared to be excessive, unjust and unreasonable. After the filing of said complaint, your
565 orators applied to this Honorable Court for an injunction pendente lite pursuant to the leave granted in said interlocutory decree. At the hearing under the rule granted on said application, the defendants, through their counsel, stipulated in judicio, that they would promptly repay to your orators all sums paid by them, for the transportation of lumber between the points designated to the extent that the charges exacted by the defendants should be held by the Court to be unreasonable and excessive. In its opinion the Court declares that should the contention of your orators to prevail, it would be competent for the Court in its final decree to direct the defendants or either of them to make restitution of the sums thus exacted (Tift vs. Southern Railway Company, 123 d Fed. 796.)

3rd. Subsequently, to-wit: on the 7th day of February, 1905, the Interstate Commerce Commission handed down its opinion and report in favor of the contentions of your orators, and declared that said advance in said rates was unreasonable, unjust and in violation of the Act to Regulate Commerce, and the acts amendatory thereto, and the said Commission entered an appropriate order commanding the said defendants to desist from maintaining and collecting said excessive charges. Certified copies of said opinion, report and order have been filed in this Honorable Court and based thereon, an application has been made to the Court for an injunction pendente lite and for the granting of the relief prayed in the original bill. All of which will appear from said application and exhibits on file in this Court to which reference is hereby prayed.

4th. Your orators aver and show that since the institution of said suit and the putting into effect of said advanced rates they and other members of the Georgia Saw Mill
566 Association composing the class represented by your orators in this litigation have paid to the defendants or some of them large amounts of money on shipments of lumber from Georgia points to Ohio river destinations and beyond in excess of the rate obtaining at the time of the filing of said original bill, and on account of the advance in said rates, which advance has been by said Interstate Commerce Commission to be unreasonable, unjust and excessive. Your orators cannot at this time attach hereto a statement showing with exactness the amounts so paid by them when paid and to whom paid, and they submit such an account can only be properly stated by the master to be appointed under the decretal order of this Honorable Court.

Wherefore, in as much as the stipulation in judicio, upon which this pleading was founded was entered into subsequent to the filing of the original bill in this cause, and in as much as the Court has ruled in this cause that should your orators maintain their contention, it would be competent for the court in its final decree to direct the respondents or either of them to make restitution of the sums illegally exacted.

Your orators pray as in original bill they have already prayed and further pray as follows, to-wit:

1st. That the sums exacted by the defendants or either of them from your orators and other persons composing the class represented by them in this litigation in excess of the rates

obtaining on the 15th day of April, 1903, on lumber from Georgia points to Ohio river destinations and beyond do decree to be unjust, excessive and illegal, and that the defendants and each of them exacting and receiving any amount in excess of such rate be ordered and decreed to
567 make restitution and to repay to your orators and those of their class all such sums so illegally exacted, with interest thereon at the legal rate.

2nd. That upon final decree the cause be referred to a master under this supplemental bill, with directions to the master to hear evidence, examine books and documents and state an account showing specifically the amounts exacted from and paid by your orators the members of their class as freight charges on lumber, from Georgia points to Ohio river destinations and beyond, represented by the increasing rate over the rates obtained on the 15th day of April, 1903, showing the amounts so paid, by whom paid, to whom paid, and when paid.

3rd. That the court will grant such other, further and general relief as the facts of the case may warrant or the equity of the case require.

4th. That the Court may order that this supplemental bill be served by serving a copy hereof upon the counsel of record for the defendants respectively.

ELLIS, WIMBISH & ELLIS,
Solicitors for Complainants.

W. D. ELLIS,
W. A. WIMBISH,
Of Counsel.
525 Prudential Building,
Atlanta, Georgia.

State of Georgia,
County of Berrien.

In person appeared before the undersigned H. H. Tift, who being duly sworn deposes and says that he is one of the complainants named in the foregoing supplemental bill, that he has read said bill, and knows the contents thereof, and that the facts stated therein are true, to the best of his knowledge, information and belief.

H. H. TIFT,

Sworn to and subscribed before me this 19th day of April, 1905.

W. W. BANKS,
Notary Public, Berrien Co., Ga.

568

Upon reading and considering the foregoing supplemental bill, it is ordered that same be and is hereby allowed and ordered filed. It is further ordered that defendants named and each of them be served by serving a copy of said bill upon their respective solicitors of record.

Dated and signed at Macon, Georgia, this April 26th, 1905.

EMORY SPEER,
United States Judge.

Filed April 27th, 1905.
CECIL MORGAN, Deputy Clerk.

"Telegram."

Atlanta, Ga., April 28th, 1905.

Cecil Morgan,
Deputy U. S. Clerk, Macon, Ga.:

We will obtain acknowledgement of service on the supplemental bill.

W. A. WIMBISH.
10.45-A.

Indorsement: 514. United States Circuit Court, Southern District of Georgia, Western Division. H. H. Tift, et al., vs. Southern Railway Company, et al. Supplemental bill and order thereon. Filed April 27th, 1905. Cecil Morgan, Deputy Clerk.

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571 ANSWER OF SOUTHEASTERN FREIGHT ASSOCIATION TO SUPPLEMENTAL BILL.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

In Equity.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Co., Alapaha Lumber Co., and Southern Pine Co., Complainants,

vs.

Southern Railway Co., Atlantic Coast R. R. Co., Louisville & Nashville R. R. Co., Nashville, Chattanooga & St. Louis Ry. Co., Seaboard Air Line Ry., Central of Georgia Ry. Co., Georgia Southern & Florida Ry. Co., Macon & Birmingham Ry. Co., and the Southeastern Freight Association, and S. F. Parrott, Chairman of the Southeastern Freight Association, Defendants.

And now comes the Southeastern Freight Association, and S. F. Parrott, Chairman of said Southeastern Freight Association, and in response to the petition filed by the above named complainants, and the order of the Court thereon, of the 17th day of March, 1905, says as follows:

First: This respondent, the Southeastern Freight Association, and S. F. Parrott, Chairman of the Southeastern Freight Association, in response to so much of said petition as they are advised is material or necessary for them to make answer to, says:

That heretofore, to-wit: in their answer filed in this cause they set forth the true relations of S. F. Parrott, Chairman, and the Southeastern Freight Association, to the different carriers named as defendants in the petition filed on the 17th day of March, 1905, that their relations to said common carriers is purely one of agency, and that as to the rates complained of by the petitioners, they refer to their amended answer heretofore filed in this cause, and again aver that they did not publish these lumber rates, that they have nothing to do with the promulgation thereof.

572 Wherefore this respondent, the Southeastern Freight Association and S. F. Parrott, Chairman, pray to be discharged with their reasonable costs.

MAYSON, HILL & McGILL,
Solicitors for the Southeastern Freight Association, and S. F. Parrott, Chairman.

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State of Georgia,
County of Fulton.

Personally appeared before me, W. C. Water, a notary public and duly appointed commissioner, duly qualified in and for the State and County aforesaid, S. F. Parrott, for himself and as Chairman of the Southeastern Freight Association, who made oath in due form of law, that he is chairman of the Southeastern Freight Association, one of the above named respondents; that the facts stated in the foregoing answer are true, to the best of his knowledge, remembrance, information and knowledge. S. F. PARROTT.

Sworn to and subscribed before me this 7th day of April, 1905. W. C. WATERS.
Notary Public, Fulton County, Georgia.

"Indorsement:" No. 514. In Equity. In the Circuit Court of the United States for the Southern District of Georgia, Western Division. H. H. Tift, et al., vs. Southern Ry. Co., et al. Answer of Southeastern Freight Association to supplemental bill, etc. Filed June 20th, 1905. Cecil Morgan, Deputy Clerk.

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573 - JOINT & SEVERAL ANSWER OF THE SOUTHERN RAILWAY, ET AL., TO PETITION FILED MARCH 17, 1905.

In the Circuit Court of the United States, for the Southern District of Georgia, Western Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Co., Garbutt Lumber Co., Alapaha Lumber Co., and Southern Pine Co., Complainants,

vs.

Southern Railway Co., Atlantic Coast Line Ry. Co., Louisville & Nashville R. R. Co., Nashville, Chattanooga & St. Louis Ry. Co., Seaboard Air Line Ry. Central of Georgia Ry. Co., Georgia Southern & Florida Ry. Co., Macon & Birmingham Ry. Co., and the Southeastern Freight Association, and S. F. Parrott, Chairman of said Southeastern Freight Association, Defendants.

The joint and several answers of the Southern Railway Company; the Atlantic Coast Line Railroad Company (erron-

eously sued as the Atlantic Coast Line Railway Company;) the Louisville & Nashville Railroad Company; the Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Seaboard Air Line; the Central of Georgia Railway Company; the Georgia Southern & Florida Railway Company and the Macon & Birmingham Railway Company to the petition of the above named complainants against these respondents and others, filed in the above entitled case on the 17th day of March, 1905.

These respondents respectively, not waiving the benefit of the demurrer heretofore filed by them, and overruled by the court, and now and at all times hereafter saving to themselves the benefit of said demurrer, and of all, and all manner of benefit or advantage of exception or otherwise, that can or may be had or taken to the many errors, uncer-
574 tainties, and imperfections in the said petition contained, for answer thereto, or to so much thereof as these respondents are advised it is material or necessary for them to make answer to, severally answering say:

I.

Respondents admit that upon the hearing of this case on May 16, 1903, upon the rule to show cause why an injunction should not be issued as prayed in the bill against these respondents, and upon the hearing in the demurrer filed by these respondents to said bill, this Honorable Court on the 16th day of May, 1903, entered an order in this case overruling said demurrer for the purpose of said hearing, dissolving the temporary injunction or restraining order thereto issued in said case, and providing, among other things, as follows, to-wit:

"In case the respondents shall enforce the rates complained of and the complainants shall make proper application to the Interstate Commerce Commission to redress their illegal grievances the court will entertain a renewed application on the record as made and such appropriate additions thereto as may be proposed by either party, enjoining the enforcement of such rates pending the investigation by the commission, unless otherwise dissolved; and on presentation to the court of the report of the commission, such other action be taken as will be conformable to law and principles of equity."

II.

Respondents admit that subsequently, to-wit: on the 22nd day of June, 1903, each of them separately and independently, filed with the Interstate Commerce Commission, and gave public notice that on June 22nd, 1903, a revised tariff of freight rates on lumber from points of shipment in the State of Georgia to Chattanooga in the State of Tennessee, and to points on the Ohio river and beyond, would be established and put into effect by them respectively, whereby the then existing rates on lumber, charged by them respectively, from and to the points designated, would be increased 2 cents per hundred pounds over the rates theretofore obtained;
575 whereupon, on the 23rd day of June, 1903, the complainants in the above entitled case filed with the Interstate Commerce Commission their complaint charging that said advance in the rates on lumber between the points designated are unjust and unreasonable, and praying that the defendants and each of them be commended to wholly desist from continuing to exact and enforce the advanced rates complained of, and for such other and further order or orders as the Commission might deem necessary in the premises, or might appear to be required. Whether a correct copy of said complaint has been presented to this court respondents do not know, because they have not been furnished with the copy referred to in the second paragraph of said petition.

III.

Respondents admit that on or about July 30th, 1903, they duly filed their joint and several answer to said complaint before the Interstate Commerce Commission, in which among other things, they denied that said increase of 2 cents per hundred pounds on said lumber rates is unjust and unreasonable; on the contrary, they averred that said proposed increase of the lumber rates is just and reasonable; and that the circumstances and conditions now affecting the lumber traffic, fully justified respondents and their respective connections in making said 2 cents increase. Respondents here file a correct copy of said answer as exhibit No. 1. hereto and pray that it may be taken as part hereof as fully as though set forth herein, but it need not be copied unless called for. Respondents admit that upon the issues railed by said complaint and answer, the Interstate Commerce Commission heard evidence and argument of counsel. After full consideration of

the case three members of said Commission rendered their decision on or about February 7, 1905, sustaining some of the contentions of the complainants; some of the findings of said three members of the Commission being expressed in the language quoted in the third paragraph of the petition filed in this case on March 17, 1905.

576 Respondents aver that Chairman Knapp and Commissioner Fifer dissented from said decision in the following language:

"In the view we take of this case the conclusions of our associates are not justified by the facts and circumstances appearing in the record or otherwise entitled to con-ideration. Holding that the rates complained of have not been shown to be in violation of law we respectfully dissent from the foregoing report and opinion."

Respondents admit that the Commission entered an order in said case commanding the respondents and each of them to cease and desist on or before the first day of April, 1905, from further maintaining or enforcing said so-called unlawful advance of 2 cents per hundred pounds or the said so-called unlawful rates and charges resulting therefrom for the transportation of lumber in car loads from shipping points on the respective lines of the respondent railroad companies in the State of Georgia to Cincinnati, Louisville, Evansville, Cairo and other points on the Ohio river, commonly called and known as Ohio river points. Respondents have not seen what is alleged to be a certified copy of said report and opinion, nor what is alleged to be a certified copy of said order, and therefore can neither admit nor deny the correctness thereof.

IV.

Respondents aver that the findings of fact contained in said report and opinion are not sustained by the evidence introduced before the Commission, but on the contrary are opposed to the great weight of said evidence. Respondents are advised and insist that the conclusions of law contained in said report and opinion, are erroneous; that said report and opinion and order are illegal and void, and should not be enforced by this Honorable Court; and having fully answered respon-

dents pray to be hence dismissed with their reason-
577 able costs.

JNO. I. HALL,
Solicitor for Georgia Southern & Florida Ry. Company.
DORSEY, BREWSTER & HOWELL,
DESSAU, HARRIS & HARRIS,
MERRILL P. CALLAWAY,
Solicitors for Southern Railway Company.
LAWTON & CUNNINGHAM,
Solicitors for Central of Georgia Railway Company.
LOUIS F. GARRARD,
Solicitor for the Macon & Birmingham Railway Company.
KING, SPALDING & LITTLE,
Of counsel for Louisville & Nashville Railroad Co.,
ALEX C. KING,
Of counsel for Louisville & Nashville Railroad Co.,
KAY, BENNETT & CONYERS,
Solicitors for Atlantic Coast Line Railroad Company.
BROWN & RANDOLPH,
Attorneys for Seaboard Air Line Railway Co.
CLAUDE WALLER,
For Nashville, Chattanooga & St. Louis Railway.
ED BAXTER,
Special Counsel for Respondents.

578 State of Georgia,
County of Bibb.

Personally appeared before me, Walter H. Beeks, a notary public, duly appointed, commissioned and qualified in and for the State and County aforesaid, Wm. C. Shaw, who made oath, in due form of law, that he is the Vice-President of the Georgia Southern and Florida Railway Company, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

WM. C. SHAW,
of.....Company.

[Company Seal]

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Sworn to and subscribed before me, this 1 day of April, 1905.

Witness my hand and notarial seal, at office in Macon, Bibb County, Georgia, the day and year aforesaid.

WALTER H. BEEKS,
Notary Public.

[Notarial Seal]

579 State of Kentucky,
County of Jefferson.

Personally appeared before me, G. W. B. Olmstead, a notary public, duly and regularly appointed, commissioned and qualified, in and for the State and County aforesaid, Milton H. Smith, who made oath, in due form of law, that he is the President of the Louisville & Nashville Company, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said Company.

M. H. SMITH,
President of the Louisville & Nashville Co.

[Company Seal]

Sworn to and subscribed before me this 1st day of April, 1905.

Witness my hand and notarial seal, at my office in the City of Louisville, Ky., the day and year aforesaid.

My commission expires on the 29th day of January, 1906.

G. W. B. OLMSTEAD,
Notary Public.

[Notary Seal]

580 State of Tennessee,
County of Davidson.

Personally appeared before me, C. A. Bowman, Jr., a notary public, duly and regularly appointed, commissioned and qualified in and for the State and County aforesaid, J. W. Thomas, who made oath, in due form of law, that he is the President of the Nashville, Chattanooga & St. Louis Railway, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that

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he has affixed the common seal of said corporation hereto as the answer of said Company.

J. W. THOMAS,
[Company Seal] President of Nashville, Chattanooga & St. Louis Railway.

A. M. MARTIN,
Act'g Sec'y.

Sworn to and subscribed before me, this 1st day of April, 1905.

Witness my hand and notarial seal, at office in Nashville, Tennessee, the day and year aforesaid.

C. A. BOWMAN, JR.,
[Notary Seal] Notary Public.

581 State of North Carolina,
County of New Hanover.

Personally appeared before me, Bertram Quelch, a notary public, duly and regularly appointed, commissioned and qualified in and for the State and County aforesaid, T. M. Emmerson, who made oath, in due form of law, that he is the Third Vice-President of the Atlantic Coast Line Railroad Company, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said Company.

T. M. EMMERSON,
[Company Seal] Third Vice P't of Atlantic Coast Line Railroad Company.

Sworn to and subscribed before me, this 3rd day of April, 1905.

Witness my hand and notarial seal, at office in Wilmington, N. C., the day and year aforesaid.

BERTRAM QUELCH,
[Notary Seal] Notary Public.

582 State of Georgia,
County of Bibb.

Personally appeared before me, Walter H. Beeks, a notary public, duly and regularly appointed, commissioned and qualified in and for the State and County aforesaid, Wm. C. Shaw, who made oath, in due form of law, that he is the Vice President of the Macon & Birmingham Rv. Company, one of the

above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said Company.

WM. C. SHAW.

Note.—The absence of the Company's Seal is accounted for by the fact that it is in the hands of the Secretary, Mr. B. C. Parsons, who resides in Boston, Mass.

[Company Seal]

Sworn to and subscribed before me, this 3 day of April, 1905.

Witness my hand and notarial seal, at office in Macon, Bibb Co., Ga., the day and year aforesaid.

WALTER H. BEEKS,
Notary Public.

[Notary Seal]

583 State of Virginia,
City of Portsmouth.

Personally appeared before me, Jno. H. Boatwright, a notary public, duly and regularly appointed, commissioned and qualified, in and for the State and City aforesaid, J. M. Barr, who made oath, in due form of law, that he is the President of the Seaboard Air Line Railway, one of the above named respondents; that the facts stated in the foregoing are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said company.

J. M. BARR,
President of Seaboard Air Line Railway.

[Company Seal]

Attest:
ROBT. L. NULL,
Asst. Secy.

Sworn to and subscribed before me, this 7th day of April, 1905.

Witness my hand and notarial seal, at office in Portsmouth, Virginia, the day and year aforesaid.

JNO. H. BOATWRIGHT,
Notary Public.

My term as notary public expires Feb. 19, 1906.

I hereby certify that this is a case in which, by the laws of Virginia, a tax is required upon this seal.

JNO. H. BOATWRIGHT,
Notary Public.

[Notary Seal]

584 United States of America,
District of Columbia.

Personally appeared before me, Wm. Hawn, a notary public, duly and regularly appointed, commissioned and qualified in and for the District of Columbia aforesaid, J. M. Culp, who made oath, in due form of law, that he is the Third Vice President of the Southern Railway Company, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said Company.

[Company Seal] J. M. CULP.

Sworn to and subscribed before me, this 8th day of April, 1905.

Witness my hand and notarial seal, at office in Washington, D. C., the day and year aforesaid.

WM. HAWN,
Notary Public.

[Notary Seal]

585 State of Georgia,
County of Chatham.

Personally appeared before me, J. T. Smith, a notary public duly and regularly appointed, commissioned and qualified in and for the State and County aforesaid, William A. Winburn, who made oath, in due form of law, that he is the Second Vice President of the Central of Georgia Railway Company, one of the above named respondents; that the facts stated in the foregoing answer are true to the best of his knowledge, information, remembrance and belief; and that he has affixed the common seal of said corporation hereto as the answer of said Company.

W. A. WINBURN,
Second Vice President of Central of Georgia Railway Company.

[Company Seal]

Attest:
T. F. SMITH,
Asst. Sec'ty.

Sworn to and subscribed before me, this 8 day of April, 1905.

Witness my hand and notarial seal, at office in Savannah, Georgia, the day and year aforesaid.

J. T. SMITH,
Notary Public.

[Notary Seal]

(Filed June 3, 1905. CECIL MORGAN,
Deputy Clerk.

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586 AFFIDAVIT OF J. O. MOORE.

In the Circuit Court of the United States for the Western Division of the Southern District of Georgia.

In Equity, Bill, Etc.

In re:

H.H. Tift, et al.,
vs.
Southern Railway Company, et al.

Georgia, Bibb County.

Before the undersigned personally appeared J. O. Moore, who, being duly sworn, deposes and says that he is the Commercial Agent of the Southern Railway Company at Macon, having general charge of the traffic of the said Southern Railway moving from and through the Macon territory, and included in this traffic is yellow pine lumber originating on the Southern Railway south of Macon, and received from its connecting lines at Macon.

Deponent has a large correspondence with lumber shippers throughout the entire Georgia and Florida timber belt, and comes personally in touch with them at all times, and is familiar with the conditions of the lumber trade and market conditions.

Deponent says that he has made from the records of the Southern Railway kept at Macon, Georgia, a statement of the commercial lumber originating on the Southern Railway South of Macon, destined to Ohio River crossings and points north thereof. Said statement being hereto attached marked Exhibit "A."

And deponent says that lumber originating on the Southern Railway's own line south of Macon is a correct and true basis from which to show an increase or decrease in the movement of lumber from that section to the West.

587 Deponent says that beginning with the latter portion of the year 1904, that the shipments of lumber originating on the Southern Railway South of Macon, going to the West shore a large proportionate increase.

The shipments in October, 1904, being 28 cars.

The shipments in October, 1903, being 17 cars.

The shipments in October, 1902, being 6 cars.

The shipments in April, 1905, being 72 cars.

The shipments in April, 1904, being 31 cars.

The shipments in April, 1903, being 2 cars.

Deponent says that the total receipts by the Southern Railway of lumber at Macon and points South of Macon, from connecting lines have largely decreased since 1903; partly because of the extension and consolidation of important lumber producing lines in South Georgia, which have led those lines to route via other connections, lumber formerly routed via Southern Railway. Deponent says, however, that in spite of this fact, the receipts by the Southern Railway from its connections at Macon, of lumber destined to points on and north of the Ohio river, have increased rapidly during the last three months, and the said receipts are now greater than at any time during the past three years, and greater than prior to the advance in rates, which took place June 22nd, 1903, and in evidence of this fact, the deponent says that during the month of April, 1905, the Southern Railway received at Macon from its connections south of Macon, 221 cars of lumber destined to western points. That in April, 1904, the receipts of such lumber amounted to 145 cars, and in April, 1903, to 187 cars. Deponent says that in May, 1905, the Southern Railway received at Macon from its connections 256 cars of lumber destined to western points, and that the receipts of such lumber in May, 1904, amounted to 137 cars, and in May, 1903, to 206 cars. Deponent says that the proportionate shipments of lumber to the West is larger than it was previous to the advance in rates.

588 Deponent says that the prices of lumber at Macon and the surrounding market have steadily increased for a number of years.

Deponent has obtained prices of lumber at the Macon

Market from practically all of the lumber dealers in the city, getting the prices of lumber at the present time and for several years past. Deponent says that lumber is higher at Macon than it ever has been before, within the knowledge of the present dealers, and that a much inferior grade of lumber is shipped to Macon and sold at prices higher than has been shipped here before in the past. That the lumber, in large part, is lumber cut from smaller trees and tops, and is for the most part what is known as low grade lumber.

Deponent says that there has been no decline in the local market following the advance in rates to the West, but on the contrary, prices have continued to advance.

Deponent attaches here to as Exhibit "B" a statement showing the quotations in lumber in the Macon market published by the Macon Telegraph in its market report, showing the price in June, 1902, November 4, 1904, February 4, 1905, and June 6th, 1905.

Deponent says that he has investigated the market quotations shown by said statement, and finds that the said price list is practically correct, in a number of instances deponent finding that at the present time lumber is bringing higher prices than quoted in the price list. Deponent says that these market quotations published in the Macon Telegraph are furnished and corrected by the Massee & Felton Lumber Company; the said company is one of the largest manufacturess and shippers of lumber in the State, and also have extensive local yards and planing and finishing mills in the City of Macon.

Deponent attaches hereto as Exhibit "C," a statement showing the cars of lumber received by the Southern Railway from the Georgia Southern & Florida Railway Company, and the Macon, Dublin and Savannah Railway Company, at Macon, destined to western points for the months of April and May, 1905.

589 Said statement shows for the month of April, 1905, 138 cars from G. S. & F.

Said statement shows for the month of April, 1905, 11 cars from M. D. & S. Total, 149 cars.

Of these 149 cars all but 118 are shown to have been shipped outright to car building companies, and the Railroad Companies North of the Ohio River, or a proportion of 87 1-4 per cent. of the entire movement to car building and railroad companies.

The statement for the month of May, 1903, shows 196 cars from the GS&F.

The statement for the month of May, 1905, shows 12 cars from the MD&S.

Total 208.

Of these 208 cars, all but 21 cars were consigned directly to car building companies and railroad companies, or a proportion of 89-9/10 per cent. to the car building and railroad companies.

Deponent says that from his personal knowledge of the condition of the lumber trade and from the reports of the traveling freight agents, and from personal interviews with many of the lumber shippers, that the lumber trade in Georgia and Florida was never in a more satisfactory condition than at the present time, and that the outlook for the balance of the year is very bright for the lumber manufacturers and dealers.

Deponent says that the mills at present have all the orders they can handle, and many mills are declining to take other orders in view of the fact that they expect a further increase in the price of lumber.

Deponent says that he is informed by the mill men that a number of mills are declining to accept orders based on the present prices of lumber for delivery in 30 and 60 days' time, on account of the large demand and the expected increase in prices.

J. O. MOORE.

Sworn to and subscribed before me this June 19th, 1905.

WILLIAM E. MARTIN, JR.,
Notary Public, Bibb Co., Ga.

Filed June 20th, 1905.

CECIL MORGAN,
Deputy Clerk.

EXHIBIT "A."

Statement of Commercial Lumber from Southern Railway Stations South of Macon, Destined to Ohio River Crossings, and North Thereof.

	1905	1904	1903	1902
May	29	31	5	..
April	72	31	2	..
March	32	15	5	..
February	31	18	7	..
January	17	25	4	..
December	..	41	14	..
November	..	25	17	..
October	..	28	17	6

MACON TELEGRAPH.

Macon Market Quotations.

Lumber Corrected Daily by Massee-Felton Lumber Co.

	June, 1902.	Nov. 4, 1904.	Feb. 4, 1905.	June 6, 1905.
Common framing, rough	$ 9 and up	$12 and up	$12.50 and up	$13.50 and up
Common framing, sized	$11 and up	$13 and up	$13 and up	$14.50 and up
Common rough boards	$ 8 and up	$12 and up	$12.50 and up	$14 and up
Dresses and matched floorings	$11 to $15	$11 to $18	$12.50 to $20	$14 to $25
Dresses and matched ceilings	$10 to $15	$10 to $18	$10 to $18	$14 to $22
Standard square edge weather boarding	$12 to $14	$12 to $16	$12 to $15	$12 to $15.50
Bevel edge weather boarding	$10 to $11	$10 to $12	$10 to $12.50	$10 to $14

"O."

Statement of Commercial Lumber Received From the Georgia Southern & Florida Railway, Macon, Georgia, During the Month of May, 1905, Destined to Ohio River Crossings, and Points North Thereof.

Point of Shipment.—Initial	Cars. Numbers	Weight	Consignees.—Destination
Phylema, Ga., GS&F	6405		
Phylema, Ga., GS&F	6235	79300	Haskell & Barker Car Co., Mich. City, Ind.
Ashburn, Ga., GS&F	4848	51700	Haskell & Barker Car Co., Mich. City, Ind.
Wallace, Ga., GS&F	6442	———	
Wallace, Ga., GS&F	6746		
Wallace, Ga., GS&F	6792	101800	Haskell & Barker Car Co., Mich. City, Ind.
Ashburn, Ga., GS&F	6392	40500	Haskell & Barker Car Co., Mich. City, Ind.
Ashburn, Ga., GS&F	6537	41900	Haskell & Barker Car Co., Mich. City, Ind.
Quitman, Ga., Sou.	11608	42600	Standard Steel Car Co., Butler, Pa.
Quitman, Ga., Sou.	20603	47800	Standard Steel Car Co., Butler, Pa.
Valdosta, Ga., LE&W	1671	40100	L. E. & W. Ry., Peoria, Ill.
Camp's Mill, Fla., Sou.	32404	38300	Haskell & Barker Car Co., Mich. City, Ind.
Camp's Mill, Fla., Sou.	26308	46250	Kuntz Bros., Shirley, Ind.

Ashburn, Ga., Sou.	11068	36800	Haskell & Barker Car Co., Mich. City, Ind.
Ashburn, Ga., GS&F	4941	46100	Haskell & Barker Car Co., Mich. City, Ind.
Ashburn, Ga., GS&F	4680	50250	Haskell & Barker Car Co., Mich. City, Ind.
Valdosta, Ga., Sou.	13801	30000	Chicago Lumber & Coal Co., Bloomington, Ill.
Valdosta, Ga., B&S	160	44400	Barney & Smith Car Co.,Dayton, O.
Wallace, Ga., GS&F	6161	66650	American Car & Foundry Co., Chicago.
Massee, Ga., GS&F	6826	53000	B. & O. R. R., Vincennees, Ind.
Massee, Ga., CNO&TP	6680	50100	B. & O. R. R., Vincennees, Ind.
Quitman, Ga., GS&F	6058	38400	P. C. C. & St. L. Ry., Vincennees, Ind.
Quitman, Ga., GS&F	6161	45200	B. & O. R. R., Vincennes, Ind.
Cecil, Ga., GS&F	6255	50700	Haskell & Barker Car Co., Mich. City, Ind.
Hahira, Ga., GS&F	6195	42500	B. & O. R. R., Vincennes, Ind.
Valdosta, Ga., GS&F	6552	44200	American Car and Foundry Co., Jeffersonville, Ind.
Olympia, Ga., GS&F	6144	52900	J. L. Phillips Co., Kensington, Ill.
Olympia, Ga., GS&F	6211	53900	J. L. Phillips Co., Kensington, Ill.
Valdosta, Ga., GS&F	6312	50550	F. M. Lawler, Bloomington, Ill.
Valdosta, Ga., Sou.	24539	33850	Standard Steel Car Co., Butler, Pa.
Valdosta, Ga., PRR.	60241	34800	Standard Steel Car Co., Butler, Pa.
Valdosta, Ga., Sou.	22369	34400	L. E. & W. Ry., Peoria, Ill.
Olympia, Ga., GS&F	6359	52500	J. L. Phillips & Co., Kensington, Ill.
Valdosta, Ga., GS&F	6587	36900	American Car & Foundry Co., Jeffersonville, Ind.
Valdosta, Ga., GS&F	1283	30000	C. B. & Ry., Chicago, Ill.
Lake Park, Ga., CI&L	14003	63100	American Car & Foundry Co., West Detroit, Mich.
Lake Park, Ga., CI&L	14010	48700	American Car & Foundry Co., West Detroit, Mich.
Jasper, Fla., CI&L	6008	45900	B. & O. R. R., Vincennes, Ind.
Jasper, Fla., CI&L	6092	62550	J. L. Phillips & Co., Kensington, Ill.

Jasper, Fla., CI&L	6489	37900	B. & O. R. R., Vincennes, Ind.
Jasper, Fla., CNO&TP	6519		
Jasper, Fla., CNO&TP	22	107550	P. C. C. & St. L., Vincennes, Ind.
Jasper, Fla., Sou.	35465	35800	J. C. Holmes, Detroit, Mich .
Camps Mill, Fla., CNO&TP.	12087	60300	Haskell & Barker Car Co., Michigan City, Ind.
Camps Mill., Fla., Sou.	5610	38700	Southern Products Co., Vincennes, Ind.
Camps Mill, Fla., LE&W ..	3435	32200	Union Lumber Co., Jeffersonville, Ind.
Camps Mill, Fla., GS&F ...	6547	49500	J. L. Phillips & Co., Kensington, Ill.
Camps Mill, Fla., Sou.	30945	33500	Standard Steel Car Co., Butler, Pa.
Camps Mill, Fla., Sou.	12184	49600	Kitchell Elevator Co., Kitchell, Ind.
Camps Mill., Fla., GS&F ..	2539	50300	Haskell & Barker Car Co., Michigan City, Ind.
Camps Mill, Fla., GS&F ...	2350	35050	C. E. Wilder, Brazill, Ind.
Camps Mill, Fla., GS&F ...	2056	43550	Haskell & Barker Car Co., Michigan City, Ind.
Camps Mill, Fla., GS&F ...	2289	34800	Standard Steel Car Co., Butler, Pa.
Quitman, Ga., GS&F	6659	42500	B. & O. R. R., Vincennes, Ind.
Quitman, Ga., GS&F	6116	44200	B. & O. R. R., Vincennes, Ind.
Quitman, Ga., Sou.	32673	44800	Crest Steel Car Co,. McKee's Rock, Pa.
GS&F	6732		
GS&F	1329	80300	B. & O. R. R., Vincennes, Ind.
GS&F	6275	39900	B. & O. R. R., Vincennes, Ind.
Baden, Ga., GS&F	6692	50200	C. C. C. & St. L. Ry., Bloomington, Ill.
Quitman, Ga., GS&F	1359		
GS&F	1779		
GS&F	1765	76900	Pullman Co., Pullman, Ill.
Adel, Ga., Sou.	7259	43700	The Penna Co., Chicago, Ill.
Quitman, Ga., GS&F	6541	39350	P. C. C. & St. L. Ry., Vincennes, Ind.

GS&F	6128	41650	B. & O. R. R., Vincennes, Ind.
GS&F	6705	40800	B. & O. R. R., Vincennes, Ind.
Sou.	7212	39100	Standard Steel Car Co., Butler, Pa.
Adel, Ga., GS&F	6542	54000	Haskell & Barker Car Co., Michigan City, Ind.
Empress, Ga., GS&F	6415	43650	B. & O. R. R., Vincennes, Ind.
Quitman, Ga., GS&F	6203	43650	P. C. C. & St. L. Ry., Vincennes, Ind.
Sou.	14207	53200	Standard Steel Car Co., Butler, Pa.
GS&F	6250	50200	B. & O. R. R., Vincennes, Ind.
GS&F	6256	42700	B. & O. R. R., Vincennes, Ind.
GS&F	6355	39500	P. C. C. & St. L. Ry., Vincennes, Ind.
GS&F	6794	50050	P. C. C. & St. L. Ry., Vincennes, Ind.
GS&F	6317	43600	B. & O. R. R., Vincennes, Ind.
Sou.	14349	43100	Standard Steel Car Co., Butler, Pa.
GS&F	6145		
GS&F	1458		
GS&F	6498	84700	Pullman Co., Pullman, Ill.
GS&F	6080	50600	B. & O. R. R., Vincennes, Ind.
GS&F	6332		
GS&F	6098	81900	J. L. Phillips & Co., Kensington, Ill.
Sou.	18222	37100	Standard Steel Car Co., Butler, Pa.
Sou.	32883	40800	Standard Steel Car Co., Butler, Pa.
Cecil, Ga., GS&F	6411	50500	Haskell & Barker Car Co., Michigan City, Ind.
S.M.	1635	42900	C. C. C. & St. L. Ry., Pana, Ill.
GS&F	6151	40600	Haskell & Barker Car Co., Michigan City, Ind.
Lennox, Ga., Sou.	13760	47400	American Car & Foundry Co., Detroit, Mich.
Massee, Ga., GS&F	6269	62400	P. C. C. & St. L. Ry., Vincennes, Ind.

GS&F	6819	56200	B. & O. S. W. R. R., Vincennes, Ind.
GS&F	6060	6L200	P. C. C. &. St. L. Ry., Vincennes, Ind.
Massee, Ga., GS&F	1518	38500	B. & O. R. R., Vincennes, Ind.
Sou.	49729	47500	B. & O. R. R., Vincennes, Ind.
GS&F	1081	34400	B. & O. R. R., Vincennes, Ind.
GS&F	6419	65000	P. C. C. & St. L. Ry., Vincennes, Ind.
GS&F	6115	63400	P. C. C. & St. L. Ry., Vincennes, Ind.
AGS	5375	62400	P. C. C. & St. L. Ry., Vincennes, Ind.
GS&F	1310	39800	B. & O. R. R., Vincennes, Ind.
GS&F	6773	53200	B. & O. R. R., Vincennes, Ind.
GS&F	6711	52150	P. C. C. & St. L. Ry., Vincennes, Ind.
GS&F	6619	67500	P. C. C. & St. L. Ry., Vincennes, Ind.
GS&F	6366	64700	P. C. C. & St. L. Ry., Vincennes, Ind.
GS&F	1737	37400	B. & O. R. R., Vincennes, Ind.
GS&F	6066	55200	Haskell & Barker Car Co., Michigan City, Ind.
GS&F	6035	41900	B. & O. R. R., Vincennes, Ind.
GS&F	6226	53400	P. C. C. & St. L., Vincennes, Ind.
GS&F	5673	57900	P. C. C. & St. L., Vincennes, Ind.
GS&F	6688	64900	P. C. C. & St. L., Vincennes, Ind.
Sou.	20637	31200	Foster M. Co., Chicago, Ill.
GS&F	6539	55000	B. & O. R. R., Vincennes, Ind.
GS&F	6401	55100	P. C. C. & St. L. Ry., Vincennes Ind.
PRR	165495	76600	P. C. C. & St. L. Ry., Vincennes Ind.
GS&F	6152	45600	P. C. C. & St. L. Ry., Vincennes Ind.
GS&F	6150	50200	B. & O. R. R., Vincennes, Ind.
GS&F	6075	59300	P. C. C. & St. L. Ry., Vincennes, Ind.

GS&F	4442	48800	Standard Steel Car Co., Butler, Pa.
GS&F	4465	36300	Standard Steel Car Co., Butler, Pa.
Sou.	31172	30000	Foster M. Co., Chicago, Ill.
Quitman, Ga., CNO&TP	128	43800	B. & O. R. R., Vincennes, Ind.
GS&F	6813	49800	P. C. C. & St. L. Ry., Vincennes, Ind.
GS&F	6386		
CNO&TP	26		
GS&F	6463	94400	Pullman Company, Pullman, Ill.
Guisie, Ga., CI&L	13186	42500	B. & O. R. R., Vincennes, Ind.
Warwick, Ga., GS&F	6509	43200	Erie R. R., Hammond, Ind.
Coolidge, Ga., GS&F	6336	64150	Haskell & Barker Car Co., Michigan City, Ind.
Milldale, Ga., GS&F	1367	42300	B. & O. R. R., Vincennes, Ind.
Coolidge, Ga., GS&F	6388	44700	B. & O. R. R., Vincennes, Ind.
Ambrose, Ga., Sou.	36295	35450	Southern Rwy., Princeton, Ind.
Milldale, Ga., GS&F	1586	33200	B. & O. R. R., Vincennes, Ind.
Byromville, Ga., GS&F	1289	35600	Erie R. R., Hammond, Ind.
Pitts, Ga., CI&L	14199	32700	Ann Harbor R. R., Owassa, Mich.
Wallace, Ga., AV&W	1282	54650	W. C. Redding, Owassa, Mich.
CNO&TP	130	56500	American Car & Foundry Co., Detroit, Mich.
GS&F	6384	56200	American Car & Foundry Co., Chicago, Ill.
GS&F	6822	40750	American Car & Foundry Co., Chicago, Ill.
Ashburn, Ga., CI&L	13287	40750	Haskell & Barker Car Co., Michigan City, Ind.
Ashburn, Ga., CI&L	14146	50150	Western Steel Car & Foundry Co., Hegewisch, Ill.
Sou.	32147	43100	Haskell & Barker Car Co., Michigan City, Ind.
GSAF	6736	51600	Western Steel Car & Foundry Co., Hegewisch, Ill.
GSAF	6271	38350	Haskell & Barker Car Co., Mich. City, Ind.

GSAF	61661	50900	Haskell & Barker Car Co., Mich. City, Ind.
NC&St.L	10159	48500	Haskell & Barker Car Co., Mich. City, Ind.
CNO&TP	116	44800	Western Steel Car & Foundry Co., Hegewisch.
GS&F	139	60200	Haskell & Barker Car Co.
CRI&P	150443	37300	Haskell & Barker Car Co.
GS&F	6077	43900	Haskell & Barker Car Co.
GS&F	6160	53200	Western Steel Car & F. Co.,Hegewisch.
GS&F	6390	39000	Haskell & Barker Co.
Sou.	4093	40400	Ridge Farm Lumber Co., Ridge Farm, Ill.
Sycamore, Ga., CH&D	11737	30000	F. M. Lowe, Bloomington, Ill.
Tifton, Ga., CNO&TP	13678	34100	Standard Steel Car Co., Butler, Pa.
Thomasville, Ga., GS&F	6651	44300	B. & O. R. R., Vincennes, Ind.
Tifton, Ga., GS&F	6572	42200	Haskell & Barker Car Co.
L&N	17450	37700	Standard Steel Car Co.
GS&F	6612	47500	D. D. Scott, Chicago, Ill.
Unadilla, Ga., GS&F	6389	45200	Paragon Refining Co., Toledo, O
Dekles, Ga., GS&F	6403	40450	B. & O. R. R., Vincennes, Ind.
Ambrose, Ga., CI&L	13900	38500	The Penna Co., Chicago, Ill.
Milldale, Ga., GS&F	1319	36600	C. C. C. & St. L. Ry., Louisville, Ky.
GS&F	1527	36700	C. C. C. & St. L. Ry., Louisville, Ky.
Wray, Ga., GS&F	1439	39850	Standard Steel Car Co.
I C.	99496	64250	Standard Steel Car Co.
Beech, Ga., PRR	185063	62250	J. L. Phillips & Co., Kensington, Ill.
Touraine, Ga., GS&F	1591	32900	B. & O. R. R., Vincennes, Ind.
Milldale, Ga., GS&F	1092	33600	C. C. C. & St. L. Ry., Pana, Ill.
Milldale, Ga., GS&F	6764	45000	B. & O. R. R., Vincennes, Ind.

Wray, Ga., GS&F	6762	72890	B. & O. R. R., Vincennes, Ind.
Norman Park, Ga., B&S ..	194		
B&S	236	55050	Barney & Smith Car Co. ,Dayton, O.
Milledale, Ga., GS&F	6792	57900	Erie R. R., Hammond, Ind.
GS&F	1573	35450	C. C. C. & St. L. Ry., Pana, Ill.
Coolidge, Ga., GS&F	2271	32300	Detroit Sou. Ry., Detroit, Mich.
Milldale, Ga., GS&F	1473	33800	C. C. C. & St. L. Ry., Pana, Ill.
GS&F	1230	36950	C. C. C. & St. L. Ry., Pana, Ill.
Phylema, Ga., GS&F	6012	59000	Haskell & Barker Car Co.
GS&F	6309	51700	Haskell & Barker Car Co.
Guysie, Ga., CI&L	15053	48000	American Car & Foundry Co.
GS&F	1533		
CI&L	14111	42550	American Car & Foundry Co.
Fender, Ga., CNO&TP	6565		
Sou.	51065	91250	P. C. C. & St. L. Ry., Chicago.
Lilly, Ga., Sou.	52064	60900	Haskell & Barker Car Co.
Ryan Park, Ga., B&S	140		
B&S	226	60500	Barney & Smith Car Co., Dayton, O.
Guysie, Ga., PCC&StL	2558..	29200	J. L. Phillips & Co., Kensington, Ill.
CI&L	14097	40350	J. L. Phillips & Co., Kensington, Ill.
Cordele, Ga., CNO&TP ...	6561	42800	B. & O. R. R., Vincennes, Ind.
GS&F	2111	60000	American Car & Foundry Co., Jeffersonville, Ind.
Beach, Ga., CI&L	14046	53900	American Car & Foundry Co., Jeffersonville, Ind.
Norman Park, Ga., B&S ..	182		
B&S	250	52950	Barney & Smith Car Co., Dayton, O.

Statement of Commercial Lumber Received from the Macon, Dublin & Savannah Railroad at Macon, Georgia, during the Month of May, 1905, Destined to Ohio River Crossings and Points North Thereof.

Point of Shipment.—Initial	Numbers	Weights	Destination and Consignees.
Girtman, Ga., Sou.	51122	43000	Am. Car & Fdry. Co., Terre Haute, Ind.
Girtman, Ga., Sou.	51797	49200	Am. Car & Fdry Co., Terra Haute, Ind.
Girtman, Ga., Sou.	57624	38400	Am. Car & Fdry Co., Terra Haute, Ind.
Girtman, Ga., Sou.	51978	44700	Am. Car & Fdry. Co., Chicago, Ill.
Girtman, Ga., B&O	106248	34700	Am. Car & Fdry. Co., Chicago, Ill.
Rentz, Ga., B&O	106165	55700	Am. Car & Fdry. Co., Chicago, Ill.
Giddings, Ga., Sou.	51303	50700	Am. Car & Fdry. Co., Chicago, Ill.
Giddings, Ga., Sou.	51771	44900	Am. Car & Fdry. Co., Chicago, Ill.
Higgston, Ga., Sou.	32327	37200	Am. Car & Fdry. Co., Detroit, Mich.
McCrimmins, Ga., CNO	6697	48000	Haskell & Barker Car Co., Michigan City, Ind.
McCrimmins, Ga., CI&L ...	14120	38800	
Ocilla, Ga., M&O	14091	42800	J. J. DeNavre, New Mark, O.

Statement of Commercial Lumber Received From the Georgia Southern & Florida Railway at Macon, Georgia, During the Month of April, 1905, Destined to Ohio River Crossings and Points North Thereof.

Point of Shipment.—Initial	Number	Weight	Consignees and Destination.
Ashburn, Ga., CI&L	1305	44300	Western Steel Car & Fdry. Co., Hegewisch, Ill.
GS&F	6516	59950	Western Steel Car & Fdry. Co., Hegewisch, Ill.
GS&F	6322	39500	Haskell & Barker Car Co., Mich. City, Ind.
Valdosta, Ga., GS&F	6198	58500	J. L. Phillips & Co., Kensington, Ill.

GS&F	6133	59300	J. L. Phillips & Co., Kensington, Ill.
GS&F	6064	63900	J. L. Phillips & Co., Kensington, Ill.
Jasper, Fla., GS&F	6302	47600	The Penna Co., Vincennes, Ind.
CNO&TP	37	55350	The Penna Co., Vincennes, Ind.
Quitman, Ga., BCR&N	3915	39900	Standard Steel Car Co., Butler, Pa.
Valdosta, Ga., GS&F	6340	61500	C. B. & Q. Ry., Chicago, Ill.
Camp's Mill, Fla., Sou.	35157	30000	Standard Steel Car Co.
Sou.	31105	43150	Haskell & Barker Car Co.
Sou.	12280	30000	F. M. Lawler, Bloomington, Ill.
Sycamore, Ga., CNO&TP			
Masse, Ga., GS&F	6721	68500	B. & P. R. R., Vincennes, Ind.
Warwick, Ga., GS&F	6549	46400	Erie R. R., Hammond, Ind.
GS&F	6748	4600	Erie R. R., Hammond, Ind.
Ashburn, Ga., GS&F	6258	34750	Haskell & Barker Car Co.
Massee, Ga., GS&F	1783	43500	C. B. & Q. Ry., Chicago.
Baden, GS&F	6204	49150	Haskell & Barker Car Co.
Jasper, Fla., Sou.	36735	50800	Chicago Lumber & Coal Co., Chicago, Ill.
Smith, Ga., I. C.	37795	30000	American Car & Fdry. Co., Detroit, Mich.
AGS	11452	74900	American Car & Fdry. Co., Detroit, Mich.
Pitts, GS&F	6337	45100	Ann Harbor R. R., Owassa, Mich.
Quitman, GS&F	6371		
GS&F	6736	87300	J. L. Phillips & Co., Kensington, Ill.
Fargo, Ga., CNO&TP	13872	36100	J. C. Planing Mill Co., Pomeroy, O.
Valdosta, Ga., Sou.	33054	38350	American Car & Foundry Co., Detroit, Mich.
Ambrose, Ga., A&B	6580	51900	The Penna Co., Chicago.
Pineview, Ga., L&N	8767	39400	E. E. Lowe Company, Middlesboro, Ky.

Tifton, Ga., GS&F	6588	45100	Haskell & Barker Car Co., Michigan City.
GS&F	6163	34000	Haskell & Barker Car Co., Michigan City.
Quitman, Ga., GS&F	6873	36200	B. & O. R. R., Vincennes, Ind.
GS&F	6046	44200	B. & O. R. R., Vincennes, Ind.
Jasper, Fla., GS&F	6115	51700	J. L. Phillips & Co., Kensington, Ill.
Massee, Ga., GS&F	6220	51300	B. & O. R. R.
Empress, Ga., GS&F	6254	40700	B. & O. R. R.
Quitman, Ga., GS&F	6220		
GS&F	6223		
B&O	16568	88500	J. L. Phillips & Co., Kensington.
Unadilla, Ga., C.C.C.&StL ..	17353	30000	American Car & Fdry. Co., Detroit
Ashburn, Ga., GS&F	6299	47100	Haskell & Barker Car Co.
GS&F	6060	46650	Haskell & Barker Car Co.
Quitman, Ga., Sou.	30703	50400	Standard Steel Car Co., Butler, Pa.
Baden, GS&F	6672	45100	Haskell & Barker Car Co.
Valdosta, Ga., Sou.	13613	41500	American Car & Fdry. Co., Detroit.
GS&F	6741	52300	Standard Steel Car Co.
Ashburn, GS&F	4792	50600	Haskell & Barker Car Co.
Cecil, Ga., CNO&TP	122	30900	C. C. C. & St. L. Ry., Pana, Ill.
Valdosta, Ga., GS&F	6550	53000	C. B. & Q. Ry., Chicago, Ill.
Jasper, Fla., GS&F	6311	47800	J. L. Phillips & Co., Kensington, Ill.
Unadilla, GS&F	6570	39000	The Penna Co., Chicago, Ill.
Milldale, GS&F	1532	30000	B. & O. R. R., Vincennes, Ind.
Ashburn, GS&F	4483	45000	Haskell & Barker Car Co.
Lennox, Sou.	5409	40000	American Car & Fdry. Co.
Son.	9737	46900	American Car & Fdry. Co.

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Quitman, Sou.	14623	41400	C. M. & St. P. Ry., Elgin, Ill.
GS&F	6022		
GS&F	6577	77100	J. L. Phillips & Co., Kensington.
GS&F	6307	40500	B. & O. R. R., Vincennes, Ind.
Jasper, Fla., Sou.	34774	33900	Standard Steel Car Co., Butler, Pa.
Unadilla, Sou.	25929	44300	Erie R. R., Hammond Ind.
Jasper, Fla., GS&F	6088	64400	The Penna Co., Vincennes, Ind
Hahira, Ga., Sou.	32694	42600	American Car & Fdry. Co., Detroit.
Ashburn, GS&F	6241	32950	Haskell & Barker Car Co., Michigan City.
Unadilla, GS&F	1184	31200	The Penna Co., Chicago, Ill.
Hahira, GS&F	1123	40600	C. B. & Q. Ry., Chicago.
Jasper, Fla., Sou.	13377	49200	Chicago Lumber & Coal Co., Detroit.
Ashburn, GS&F	4012	52300	Haskell & Barker Co.
GS&F	6757	66600	Western Steel Car & Fdry. Co., Hegewisch, Ill.
Murphey, B&O	106357	40150	B. & O. R. R.
Humboldt, B&O	106407	40200	B. & O. R. R.
Murphey, C1&L	13300	60300	B. & O. R. R.
B&O	106284	53550	B. & O. R. R.
Ashburn, GS&F	4659	40100	Haskell & Barker Car Co.
Massee, GS&F	1637	35250	C. B. & O. Ry., Chicago, Ill.
Quitman, GS&F	6699	34900	B. & O. R. R., Vincennes, Ind.
GS&F	6842		
GS&F	6057	65000	J. L. Phillips & Co., Kensington, Ill.
Cecil, GS&F	6051	51600	W. D. Otis, Stoney Island, Ill.
Massee, GS&F	6402	51900	B. & O. R. R.

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Baden, CI&L	13138	38200	Haskell & Barker Car Co.
Quitman, CNO&TP	6617	52800	C. C. C. & St. Ll. Ry., Pana, Ill.
Sou.	35290	30000	Standard Steel Car Co., Butler, Pa.
CNO&TP	6698		
	6663		
	6607	87700	Pullman Company, Buffalo, N. Y.
Coolidge, GS&F	2529	36450	B. & O. R. R., Vincennes, Ind.
Tifton, GS&F	6575	42100	The Penna Co., Chicago, Ill.
Quitman, GS&F	6642	48600	B. & O. R. R.
Sou.	34557	44900	Standard Steel Car Co., Butler, Pa.
GS&F	6049		
GS&F	6589	64400	J. L. Phillips & Co., Kensington, Ill.
Massee, Sou.	33500	32800	Standard Steel Car Co.
Wallace, GS&F	6353	51500	American Car & Fdry. Co., Chicago.
Pitts, C.B.&Q	39123	38800	Mt. Vernon Car Mfg. Co., Mt. Vernon, Ill.
Wallace, GS&F	6326	55300	Haskell & Barker Car Co.
Massee, N. G.	6935	32600	C. M. & St. P. Ry., Elgin, Ill.
GS&F	6252	43500	B. & O. S. W. R. R., Vincennes, Ind.
Sou.	35409	49300	C. M. & St. P. Ry., Elgin, Ill.
Quitman, GS&F	6557	42200	C. C. C. & St. L. Ry., Pana, Ill.
Sou.	32430	44200	Standard Steel Car Co., Butler, Pa.
Valdosta, GS&F	1247	43350	Standard Steel Car Co., Butler, Pa.
Pitts, GT	12269	40700	Logan & M. Co., Middlesboro, Ky.
IC	21908	45600	Mt. Vernon Car Mfg. Co., Mt. Vernon, Ill.
Quitman, GS &F	1529		

CN&St.P.	23901	57300	J. L. Phillips & Co., Kensington, Ill.
Sou.	12613	45900	C. M. & St. P. Ry., Elgin, Ill.
Massee, Ga., GS&F	6318	48600	B. & O. R. R., Vincennes, Ind.
Quitman, Sou.	29043	42200	B. & O. R. R., Vincennes, Ind.
Tourraine, B&O	106292	46500	B. & O. R. R., Vincennes, Ind.
Masse, P. R.R.	99227	44500	Standard Steel Car Co., Butler, Pa.
Quitman, GS&F	1688	35500	C. C. C. & St. L. Ry., Pana, Ill.
GS&F	1671	41500	B. & O. R. R.
Sou.	11842	46250	Standard Steel Car Co., Butler, Pa.
Sou.	12937	30000	Standard Steel Car Co.
Murphey, Sou.	24105	50750	B. & O. R. R.
Wallace, H&SF	201	50600	Erie R. R., Hammond, Ind.
Coolidge, B&O	106207	43100	B. & O. R. R.
Wallace, GS&F	6335	57100	Haskell & Barker Car Co.
Ashburn, GS&F	4034	36000	Barney & Smith Car Co., Dayton, O.
Tifton, GS&F	6456		
GS&F	1473	93300	P. C. C. St. L. Ry., Chicago.
B&O	106438		
B&O	106008	101000	P. C. C. St. L. Ry., Chicago.
Masse, B&O	170105	66400	B. & O. R. R., Vincennes, Ind.
Quitman, GS&F	6516		
GS&F	6454		
GS&F	6419	84300	J. L. Phillips & Co., Kensington, Ill.
Camp's Mill, Fla., Sou.	12372	42950	Haskell & Barker Car Co.
Sou.	30429	38700	Fergerson & Co., Rockville, Ind.

CD&D	10728	36100	Standard Steel Car Co., Butler, Pa.
Sou.	25530	40400	Haskell & Barker Car Co.
Sou.	22103	30000	Standard Steel Car Co.
Sou.	30632	35750	Standard Steel Car Co.
Sou.	32861	41050	Haskell & Barker Car Co.
Massee, Ga., GS&F	6135	43200	B. & O. R. R., Vincennes, Ind.
Quitman, Sou.	33218	32300	C. M. & St. P. Ry., Elgin, Ill.
Cecil, GS&F	6738	44600	Haskell & Barker Car Co.

Statement of Commercial Lumber Received From the Macon, Dublin & Savannah Railroad at Macon, Georgia, During the Month of April, 1905, Destined to Ohio River Crossings and Points North Thereof.

Point of Shipment.—Initial	Numbers	Weight	Consignees and Destination.
Girtman, Ga., Sou.	51423	37400	Am. Car & Fdry. Co., Terra Haute, Ind.
Girtman, Ga., Sou.	32068	31250	Am. Car & Fdry. Co., Terra Haute, Ind.
Girtman, Ga., Sou.	34670	40000	Am. Car & Fdry. Co., West Detroit, Mich.
Girtman, Ga., Sou.	35503	34000	Am. Car & Fdry. Co., West Detroit, Mich.
Girtman, Ga., Sou.	14429	38700	Am. Car & Fdry. Co., West Detroit, Mich.
Girtman, Ga., B&O	106105	56900	Am. Car & Fdry. Co., West Detroit, Mich.
Rentz, Ga., Sou.	51126	46800	Am. Car & Fdry. Co., West Detroit, Mich.
Rentz, Ga., Sou.	51526	46000	Am. Car & Fdry. Co., Chicago, Ill.
Higgston, Ga., Sou.	34731	44400	Am. Car & Fdry. Co., Detroit, Mich.
Sou.	26693	47200	Am. Car & Fdry. Co., Detroit, Mich.
Giddings, Ga., Sou.	51909	65240	Am. Car & Fdry. Co., West Detroit, Mich.

590 AFFIDAVIT OF L. GREEN.

In the Circuit Court of the United States for the Western Division Southern District of Georgia.

H. H. Tift, et al., Complainants,
vs. In Equity.
Southern Railway Company, et al., Defendants.

United States of America,
Bibb County, Georgia.

Personally appeared before me, L. Green, who on oath says that he is Freight Traffic Manager of Southern Railway Company, one of the defendants in above entitled case, that he is in charge of the Freight Traffic Department including the making of freight rates and the publication of freight tariffs for Southern Railway Company, defendant. That he has been connected with the railroads of the South for more than twenty years and has had large experience in the making of freight rates in the Southern territory.

Deponent says that since October, 1903, in which month the testimony in this case was heard by the Interstate Commerce Commission, there has been a substantial change in the conditions affecting the traffic in yellow pine lumber produced in South Georgia and marketed in the territory on and north of the Ohio river.

Deponent says that in December, 1902, and January, 1903, the Southern Railway Company, defendant, made investigation to determine whether the conditions then existing justified any advance in the rates on lumber, in general or particular, and deponent says that as a result of this investigation Southern Railway Company, defendant, became convinced that an advance of two cents per one hundred pounds on lumber from the Southern territory to points on and
591 north of the Ohio river could be made without injury or injustice and deponent says it was then determined by Southern Railway Company, defendant, to make an advance effective March 1st, 1903. Deponent says at that time there was great activity in the lumber market, the prices were high and the movement quite heavy, particularly to the territory on and north of the Ohio river. Deponent says that these favorable conditions were largely due to the fact that the railroads were building a great many cars and were heavy purchasers of lumber and timbers for structural work. Deponent says that the demand for lumber by the building trade was also great and the prices high.

Deponent says that owing to the representations of lumber shippers that they had been delayed in filling orders in the territory referred to, alleging that they had been unable to secure sufficient cars to complete contracts, Southern Railway Company, defendant, deferred the advance until April 15th, 1903, and deponent says that resulting from a restraining order issued by this Honorable Court, the advanced rates did not actually become effective from points in Georgia until June 22nd, 1903. Deponent says that advanced rates from points in Mississippi and from territory west of the Mississippi river became effective April 15th, 1903, and except as to a portion of the territory for a short period remained in effect continuously. Deponent says that because of this fact the Georgia shippers had between April 15th, 1903, and June 22nd, 1903 an advantage over the shippers in Mississippi and Arkansas and all territory west of the Mississippi river.

Deponent says that the shippers of lumber at points in South Georgia and the receivers of lumber at points on and north of the Ohio river having knowledge of the fact that an advance in rates was contemplated made unusual
592 effort to fill their contracts and to make new sales and shipments of lumber to the territory involved before the advance in rates became effective. Deponent says that after having notified the lumber shippers that the advance in rates would be deferred until April 15th, 1903, the Southern Railway and other carriers made extra effort to supply equipment, in order to move before April 15th, 1903, the accumulation of lumber which was said to have been delayed in shipment because of the inability of shippers to secure cars. Deponent says that in consequence of these conditions the movement of lumber to points on and north of the Ohio river during the period of several months prior to April 15th, 1903, was unusually large and that as a result of this large movement, unusual stocks were accumulated by the purchasers in the North and the movement to the territory involved subsequent to the date which had been fixed for the advance in rates, naturally decreased and became less.

Deponent says further that the conditions affecting the lumber traffic to the territory involved begun to change in the latter part of 1903, due to the fact that the railroads had ceased to place orders for new cars and had curtailed their purchases of lumber for other purposes, and due also to the fact that the conditions of the money market affected building operations in other directions. Deponent says that Southern Railway Company purchased in 1903 only 703 freight cars.

Deponent says these conditions continued to prevail until some time in the first half of the year 1904, when an improvement began. The railroads again entered the market for new cars and large orders were placed. The Southern Railway Company, defendant, alone having placed orders since June 1st, 1904, for 10,503 new freight cars as compared with 703 for 1903, and none at all for the first half of 1904.

593 Deponent is informed that one of the largest manufacturers of cars now has orders for new cars sufficient to keep its plants in operation for six months.

Deponent says he is informed and believes that because of the unusually heavy movement prior to the advance in rates, and because of the decreased purchases on the part of the car companies and the railroads, which took place later, the movement of yellow pine lumber to points on and north of the Ohio river decreased, and the prices also decreased to some extent, but deponent says that the improved conditions developed since June, 1904, have brought about a largely increased and increasing movement of lumber to the territory involved, and that with the increased movement came increased prices.

Deponent says that for each month since September, 1904, there has been a large increase over September, 1904, in the movement of yellow pine lumber over Southern Railway from points in Georgia to the territory referred to as follows:

Statement.

Showing the Number of Cars of Yellow Pine Lumber Forwarded by Southern Railway to Points on and North of the Ohio River for the Months Named.

	Cars.
September, 1904	169
October, 1904	183
November, 1904	329
December, 1904	376
January, 1905	301
February, 1905	416
March, 1905	517
April, 1905	508

Deponent says that for the month of October, 1903, and for practically 12 months prior thereto the Chicago market prices of yellow pine lumber were as follows, viz: First and second flooring $21 to $22 per 1,000 ft., and deponent says that the

Chicago prices of the same class of flooring for the second quarter of 1905, and at the present time, ranged from $23 to $25 per thousand feet. An increase of from $2 to $3 per thousand ft. over prices prevailing in October, 1903.

594 Deponent says that in October, 1903, the Chicago market prices of common yellow pine flooring ranged from $18.50 to $19.50 per thousand ft. That the Chicago prices of the same class of flooring for the second quarter of 1905, and at the present time, range from $20 to $21.50 per thousand ft., representing an increase of $1.50 per thousand ft. as compared with October, 1903.

Deponent says further that the Chicago market prices in October, 1903, of dimension stuff and timbers under 12"x12" and under 30' in length, ranged from $19.50 to $22 per thousand ft., whereas Chicago market prices for the second quarter of 1905, and at the present time, on the same class of lumber, range from $21 to $23.50 per thousand ft., an advance of $1.50 per thousand ft. over the prices prevailing in Chicago in October, 1903.

Deponent says on information and belief that the table attached and marked Exhibit One represents the average prices paid in Chicago for the various items of car and railroad material for the period mentioned. (See Exhibit No. 1 attached.)

Deponent says that said exhibit shows that the average price of No. 1 common roofing in Chicago market in October, 1903, ranged from $18.75 to $19.75 per thousand ft. and that the average price of No. 1 common roofing in the Chicago market for the second quarter of 1905, and at the present time, ranges from $19.75 to $21.25 per thousand ft., an advance of from $1.00 to $1.50 per thousand feet. Deponent says that the advance in the average price in the Chicago market of car siding over October, 1903, is from $4.00 to $4.50 per thousand ft. Car decking $3.00 per thousand ft. Rough car sills from $2.50 to $4.00 per thousand ft. Car lining from $1.00 to $1.50 per thousand ft. Rough stringers $1.50 per thousand ft. Caps, rough, from $1.50 to $2.50 per thousand ft. Ties and guard rails $1.00 to $2.00 per thousand ft.

595 Deponent says that the prices paid by Southern Railway Company, defendant, for yellow pine lumber have materially increased since July 1st, 1904, during which month the average cost to Southern Railway Company, defendant, of yellow pine lumber used by its bridge and building department was $12.84 per thousand ft., while the average cost of lumber purchased by the same department

in April, 1905, was $14.60 per thousand ft., an increase of $1.76 per thousand ft., or 13.7 per cent.

Deponent says that yellow pine lumber purchased by Southern Railway Company, defendant in July, 1904, for its mechanical department averaged in price $12.14 per thousand ft., while the average price paid for yellow pine lumber for the mechanical department in the month of April, 1905, was $14.09 per thousand ft. on an increase of $1.95 per thousand ft. or 16 per cent over the price paid in July, 1904.

Deponent says that the increase in price of $1.76 per thousand ft. on the amount of yellow pine lumber purchased by Southern Railway Company for its bridge and building department for the month of April, 1905, and of $1.95 per thousand ft. on the amount of yellow pine lumber purchased for its mechanical department during the same months, represents an increased cost to Southern Railway Company, defendant, for the purchases for the two departments for that month alone of $6,220.23.

Deponent says on information and belief that the improved conditions hereinbefore referred to, are fairly indicative of the general conditions affecting the lumber trade resulting in increased demand and prices as high as, or higher than ever before known, and that these conditions are materially different from those existing in October, 1903.

L. GREEN.

Sworn to and subscribed before me this 20th day of June, A. D. 1905.

L. M. ERWIN,
Deputy Clerk.

(EXHIBIT #1, L. GREEN.)

Average Prices on Various Items of Car and Railroad Material for each Quarter During the Years 1903, 1904 and 1905.—Chicago Delivery.

	1903				1904				1905	
	1st. qr.	2nd. qr.	3rd. qr.	4th qr.	1st qr.	2nd qr.	3rd qr.	4th qr.	1st. qr.	2nd qr.
Roofing, #1 Com.	$18.75	18.75 to 19.75	18.75 to 19.75	18.75 to 19.75	18.75 to 19.75	17.75 to 18.75	18.75 to 19.75	19.75 to 21.25	19.75 to 21.25	19.75 to 21.25
Siding....	$20.25 to 20.75	20.75 to 21.25	20.75 to 21.25	20.75 to 21.25	20.75 to 21.25	19.25 to 20.25	21.25 to 22.25	22.25 to 25.75	24.75 to 25.75	24.75 to 25.75
Decking..	$16.75 to 17.75	17.25 to 18.25	17.25 to 18.25	17.25 to 18.25	17.75 to 18.75	16.75 to 17.75	19.75 to 20.75	20.75 to 22.75	20.25 to 21.75	20.25 to 21.75
Sills, Rough..	$20.50 to 21.50	21.00 to 22.00	21.00 to 22.00	21.00 to 22.00	21.50 to 22.50	21.00 to 22.00	22.50 to 24.50	23.50 to 27.00	23.50 to 26.00	23.50 to 26.00
Lining..	$18.75 to	18.75 to 19.75	18.75 to 19.75	18.75 to 19.75	18.75 to 19.75	17.75 to 18.75	18.75 to 19.75	19.75 to 21.25	19.75 to 21.25	19.75 to 21.25

Stringers, Rough.	$28.00 to 29.50	29.00 to 30.50	29.00 to 30.50	29.00 to 30.50	29.00 to 30.50	28.50 to 29.00	29.50 to 31.00	30.50 to 32.00	30.50 to 32.00	30.50 to 32.00
Caps, Rough.	$24.50 to 25.50	25.50 to 26.50	25.50 to 26.50	25.50 to 26.50	25.50 to 26.50	24.50 to 25.50	26.50 to 28.00	27.00 to 29.00	27.00 to 29.00	27.00 to 29.00
Ties and Guard Rails, Rough.	$22.00 to 23.00	23.00 to 24.00	23.00 to 24.00	23.00 to 24.00	23.00 to 24.00	22.00 to 23.00	24.00 to 26.00	24.00 to 26.00	24.00 to 26.00	24.00 to 26.00

Filed June 20, 1905. CECIL MORGAN, Deputy Clerk.

596 AFFIDAVIT OF C. B. COMPTON.

In the Circuit Court of the United States for the Western Division, Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity, Bill, Etc.
Southern Railway Company, et al.

Georgia, Bibb County.

Before the undersigned, personally appeared C. B. Compton, who being duly sworn deposes and says that he is traffic manager of the Louisville & Nashville Railroad, one of the defendants in the above stated cause. Deponent attaches hereto as Exhibit "A" a statement, showing the movement of yellow pine lumber, from producing points south of Birmingham, on the Louisville & Nashville Railroad to Ohio river points and beyond, together with the total movement from said points to all territories of destination, from the first of December, 1902, to April, 1905, inclusive, each month separately shown.

Deponent also attaches hereto as Exhibit "B" a statement showing the consolidated movement to Ohio river points and beyond, for the months of January, February, March and April, 1903, as compared to the same months 1905, which comparisons show a total movement for the said months in 1903 of 117,004,814 pounds of lumber tonnage, and the same months, 1905, of 169,274,560 pounds of lumber tonnage, or an increase in 1905 of 51,865,748 pounds to said Ohio river points and beyond.

The number of cars of lumber for the same months in 1903, according to said statement, are 2836 cars, while the movement for the same months in 1905 are 3946 cars, an increase of 1110 cars over the same period of 1903.

597 The total tonnage for the said four months in 1903, was 406,112,494 pounds, while the total tonnage for the same four months for 1905 was 487,275,215 pounds, or an increase in total tonnage during the said four months of 1905 over the same four months of 1903 of 87,162,764 pounds.

C. B. COMPTON.

Sworn to and subscribed before me, this June 205th, 1905.
WM. E. MARTIN, JR.,
Notary Public, Bilb Co., Ga.

"Indorsement:" $514. U. S. Circuit Court, Western Division, Southern District of Georgia. H. H. Tift, et al., vs. Southern R'y Co., et al. Affidavit of C. B. Compton. Filed June 20th, 1905. Cecil Morgan, Deputy Clerk.

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598 AFFIDAVIT OF HERRY T. NEWCOMB.

United States of America.

In the Circuit Court for the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity. No.
Southern Railway Company, et al.

Now comes Harry T. Newcomb, of Kensington, Maryland, who, being duly sworn, makes the following affidavit:

That he is a student of economics and statistics, and is especially familiar with the reports of the Federal Government which deal with railway services and rates, with the price of commodities and the wages of labor.

That he has made a particular study of the reports of the Interstate Commerce Commission and of the statician [statistician] to the Interstate Commerce Commission, and also of Bulletins 49 and 51 of the Bureau of Labor of the United States Department of Commerce and Labor, and of the Eighteenth Annual Report of the Commissioner of Labor.

That these reports show that from the year 1897 to the years 1903 and 1904 the purchasing power of money decreased per unit with regard to the quantity of general commodities which a unit of money would purchase, and that similarly the power of money to purchase labor decreased per unit, but that the purchasing power of each unit of money in connection with railway services increased slightly during the period from 1897 to 1903, in which it decreased with regard to both commodities and labor.

That the value of the money in which railway rates are paid fluctuates, and that from 1897 to 1903 and 1904 it greatly decreased and is still depressed, and that especially with regard to the commodities which railway companies are obliged to purchase in order to continue the performance of
599 the services which they render it is now much lower than in 1897.

That the United States Bureau of Labor has reported that if the average price of all commodities for the years 1890 to 1899, inclusive, is regarded as 100 per cent, the average price for the year 1897 was 89.7 per cent, and for the year 1903 113.6 per cent.

That on the same basis the average price of lumber and building materials for the year 1897 was 90.4 per cent. and for the year 1903 121.1 per cent.

That on the same basis the average price of materials for fuel and lighting in 1897 was 96.4 per cent and in 1903 149.3 per cent.

That the articles the prices of which enter into the averages for fuel and lighting materials and for lumber and building materials are principally articles largely purchased by railway companies.

That if the average railway earnings per ton per mile and per passenger per mile, as reported by the statistician to the Interstate Commerce Commission are tabulated upon the same basis as the figures quoted from the reports of the Bureau of Labor, it appears that the average railway passenger receipts per mile traversed per passenger during the year 1897 equalled 98.3 per cent of the average for the years 1890 to 1899 inclusive, while the same average for 1903 equalled 97.5 per cent of the average of 1890 to 1899.

That similarly the average gross railway receipts per ton of freight per mile carried in 1897 was 95.1 per cent, and in 1903 90.9 per cent.

That thus the average of railway rates decreased, while those of commodity prices increased.

That the Bureau of Labor has tabulated in a similar manner the average wages of all wage earners throughout the country, both per hour and per week.

600 That representing average wages per week for the years 1890 to 1899 by 100 per cent, the average wages per hour of 1897 were 89.6 per cent and the corresponding averages for 1903 116.4 per cent.

That similarly, representing the average weekly earnings per employee of the years 1890 to 1899 as 100 per cent, the average for 1897 was 99.5, and that for 1903 112.3 per cent.

That it thus appears that while the averages for railway rates were decreasing the average earnings of wage earners were increasing.

That these figures and those for prices show that both commodities in general and labor would, per unit of either, pur-

chase more transportation either of persons or of property in 1903 than in 1897.

HARRY T. NEWCOMB.

District of Columbia, ss.

Be it remembered that on the 12th day of April, A. D. 1905, before me, Harvey T. Winfield, a notary public in and for the District of Columbia, aforesaid, personally appeared Harry T. Newcomb, the above named affiant, and personally known to me to be such, and subscribed to the foregoing affidavit in the District of Columbia, and on the day and at the place last above mentioned, made solemn oath to the truth of said affidavit by him subscribed.

[Notarial Seal] HARVEY T. WINFIELD,
Notary Public, D. C.

[Indorsement.] Filed June 20, 1905. Cecil Morgan, Deputy Clerk.

EXHIBIT "A."

Filed by C. B. Compton.

Statement showing movement of yellow pine lumber from producing points south of Birmingham on the L. & N. R. R. to Ohio river points and beyond, together with the total movement from said points to all territories of destination.

	To Ohio river pts. and byd.		Total to all points.	
	No. Cars.	Weight	No. Cars.	Weight.
December, 1902..	610	24,946,730	2157	89,275,513
January, 1903..	613	25,889,498	2430	104,130,575
February, 1903..	759	31,389,977	2107	91,423,787
March, 1903 ...	680	29,253,760	2367	107,145,767
April, 1903, ...	748	30,876,579	2439	103,412,365
May, 1903, ...	754	34,255,195	2543	114,202,408
June, 1903	899	36,442,290	2630	120,809,551
July, 1903... ...	835	35,199,145	2765	128,037,895
August, 1903.. ..	746	31,390,786	2472	115,697,361
September, 1903..	805	33,974,760	2544	120,718,310
October, 1903 ...	882	36,867,700	2540	115,205,797
November, 1903..	759	30,614,203	2343	109,673,166
December, 1903..	583	23,800,214	2506	118,883,781
January, 1904 ..	586	24,842,100	2389	113,174,546
February, 1904 ..	719	30,527,498	2248	105,309,928
March, 1904	790	33,996,180	2644	128,060,563
April, 1904	840	34,531,380	2875	134,223,730
May, 1904	792	32,604,880	2624	134,138,805
June, 1904	664	27,817,510	2354	109,524,532
July, 1904	692	29,046,660	2259	108,233,044
August, 1904	796	33,920,300	2353	108,407,630
September, 1904 .	736	30,056,560	2225	102,618,431
October, 1904.. .	806	33,300,850	2146	97,857,184
November, 1904..	870	36,065,116	2237	194,441,304
December, 1904 ..	879	37,763,961	2459	113,536,467
January, 1905 ...	900	39,170,020	2456	115,660,976
February, 1905 ..	816	35,364,000	2179	102,252,650
March, 1905	1174	50,318,260	3008	136,709,719
April, 1905	1056	44,422,280	2907	132,651,913

EXHIBIT "B" TO C. B. COMPTON.

Statement showing movement to Ohio river points and beyond of Yellow Pine Lumber from producing points south of Birmingham, on the L. & N. R. R., during January, February, March and April, 1903, as compared with corresponding months of 1905:

Year 1903.	Cars.	Weight.
January	613	25,889,498
February	759	31,389,970
March	680	29,253,760
April	784	30,876,579
Total	2836	117,409,814
Year 1905.		
January	900	39,170,020
February	816	35,364,000
March	1174	50,318,260
April	1056	44,422,280
Total	3946	169,274,560
Increase	1110	51,864,746

601

AFFIDAVIT OF T. W. GLAZE.

In the Circuit Court of the United States for the Western Division of the Southern District of Georgia.

In Re:

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
Southern Railway, et al.

Georgia,
Bibb County.

Before the undersigned personally appeared T. W. Glaze, who being duly sworn, deposes and says, that he is the agent of the Central of Georgia Railway Company, at Macon, Georgia.

Deponent says that the following is a statement of the number of cars of lumber moving from the line of the Central of Georgia Railway Company, through Atlanta and Chattanooga for western points, points west of St. Louis, and east of the Mississippi River, and west of the Pittsburg Buffalo Zone.:

	1903	1904	1905
April..	389	292	468
May..	391	392	435
October..	220		

Deponent says that these statistics are correctly compiled by deponent from books and records kept in due course of business of the said Central of Georgia Railway Company, at Macon, Georgia, and are the result of the examination of many books and papers, and the result of voluminous facts stated in the said books and papers.

T. W. GLAZE.

Sworn to and subscribed before me this 19th day of June, 1905.

WM. E. MARTIN, JR.,
Notary Public, Bibb Co., Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

602 AFFIDAVIT OF W. H. PAXTON.

In the Fifth Circuit Court of the United States for the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

Affidavit of W. H. Paxton.

State of Georgia,
County of Fulton. ss.

Personally appeared before me, Aldine Chambers, a notary public, duly and regularly appointed, commissioned and qualified, in and for the State and County aforesaid, W. H. Paxton, who made oath in due form of law that he is Assistant General Freight Agent of the Southern Railway Company, at Atlanta, Georgia; that his present and previous positions with said company have rendered it necessary, and enabled him to acquaint himself with the changes in rates on yellow pine lumber from Georgia points to points in Kentucky and Tennessee.

Affiant states that effective April 15th, 1903, by Pine Lumber Tariff 6, Southern Railway I. C. C. No. 7430, rates on yellow pine lumber from points in Georgia, south of Atlanta, Ga., to Nashville and Memphis, Tennessee, and to Burgin, Campbellsburg, Carlisle, Chilesburg, Elkton, Eminence, Erlanger, Falmouth, Frankforth, Georgetown, Hopkinsville, Juneton City, Lancaster, Midway, Millersburg, Mt. Vernon, Nicholasville, Paris, Pleasureville, Richmond, Russellville, Shelbyvile, Stanford, Versailles, Walton, Winchester, Williamsburg, and Yarnalltown, Ky., were advanced 2 cents per hundred pounds over the rates which had been for some time previously in effect, and to said points, said advance has ever since been in force.

W. H. PAXTON.

Sworn to and subscribed before me this 10th day of May, 1905.

Witness my hand and notarial seal at office in Atlanta, Ga., the day and year aforesaid.

ALDINE CHAMBERS,
Notary Public, Fulton County, Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

603 AFFIDAVIT OF LUCIUS L. McCLESKY.

In the United States Circuit Court for the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

State of Georgia,
Fulton County.

Personally appeared before me, Lucius L. McClesky, who, being duly sworn, deposes and says that he is Division Freight Agent of the Southern Railway Company, one of the defendants in the above stated case.

Deponent says that he has caused careful inquiry to be made and has thereby obtained from reliable lumber dealers in Atlanta, Ga., information as to prices of various kinds of yellow pine lumber as produced in South Georgia, in the Atlanta market during the months of October, 1902, October, 1903, and October, 1904, and each succeeding month from October, 1904, to June, 1905, inclusive. Deponent says that as a result of said careful inquiry he has obtained the following figures, representing the prices of yellow pine lumber in the Atlanta market during each of the months shown:

	Oct., 1902:	Oct., 1903:	Oct., 1904:	Nov., 1904:	Dec., 1904:	Jany., 1905:	Feb., 1905:	Mar., 1905:	Apr., 1905:	May, 1905:	June, 1905:
Flooring—Firsts	17.00	16.00	16.00	16.50	17.00	17.50	18.00	18.00	18.50	18.50	19.00
Seconds	16.00	15.00	15.00	15.50	16.00	16.50	17.00	17.00	17.50	17.50	17.50
Common	14.50	13.50	13.50	14.00	14.50	15.00	15.50	15.50	16.00	16.00	16.00
Boards—1x12x12	11.00	11.00	11.00	11.00	11.50	11.50	12.00	12.50	12.50	13.50	13.50
Sills—Sizes 6x8", 4x8", 4x6"	11.00	11.00	11.00	11.00	11.50	11.50	12.00	12.50	12.50	13.50	13.50
Structural timber under 12"x12" and under 30'	11.00	11.00	11.00	11.00	11.50	11.50	12.00	12.50	12.50	13.50	13.50
Structural timber 12"x12" and over & under 30'	16.00	17.00	18.00	18.00	18.00	19.00	20.00	21.00	22.00	22.00	22.00

604 Deponent says that this statement shows that the prices in Atlanta, Ga., in June 1905, exceeded the price in Atlanta in October, 1902, on flooring of the first grade, $2.00 per 1,000'; on flooring of the second grade, $1.50 per 1,000', and on common flooring $1.50 per 1,000'.

Deponent says further that the price in Atlanta market of yellow pine boards 1x12x12 in June, 1905, exceeded the price in the Atlanta market in October, 1902, by $2.50 per 1,000'; and deponent says that the same thing is true as to structural timber under 12x12" and under 30' in length.

Deponent says that the price of structural timber, 12x12" and over and under 30' in length in June 1905, exceeded the price of the same class of timber in October, 1902, by $6.00 per 1,000'.

LUCIUS L. McCLESKY.

Personally appeared before me, a notary public in and for the County of Fulton, State of Georgia, this 16th day of June, 1905, Lucius L. McClesky, who, under oath, says that the above statements are true, to the best of his knowledge and belief.

THOS. J. WESLEY,
Notary Public, Fulton Co., Ga.

605 Statement Showing Atlanta Market (Delivered Prices) on Yellow Pine Lumber Per Thousand Feet.

	Oct., 1902:	Oct., 1903:	Oct., 1904:	Nov., 1904:	Dec., 1904:	Jany., 1905:	Feb., 1905:	Mar., 1905:	Apr., 1905:	May, 1905:	June, 1905:
ooring—Firsts	17.00	16.00	16.00	16.50	17.00	17.50	18.00	18.00	18.50	18.50	19.00
econds	16.00	15.00	15.00	15.50	16.00	16.50	17.00	17.00	17.50	17.50	17.50
ommon	14.50	13.50	13.50	14.00	14.50	15.00	15.50	15.50	16 00	16 00.	16 00
oards—1x12x12	11.00	11.00	11.00	11.00	11.50	11.50 .	12.0	12.50	12.50	13.50	13.50
ls—Sizes 6x8", 4x8", 4x6"	11.00	11.00	11.00	11.00	11.50	11.50	12.00	12.50	12.50	13.50	13.50
ructural timber under 12"x12" and under 30'	11.00	11.00	11.00	11.00	11.50	11.50	12.00	12.50	12.50	13.50	13.50
ructural timber 12"x12" and over & under 30'	16.00	17.00	18.00	18.00	18.00	19.00	20.00	21.00.	22.00.	22.00	22.00

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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606 AFFIDAVIT OF R. H. DAVIS.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

State of Alabama,
Montgomery County.

Before me, Porter McKay, a notary Public in and for said State and County, personally appeared R. H. Davis, who being by me first duly sworn, deposes and says on oath, as follows:

That the sheet hereto attached, marked Exhibit "A," shows the prices per thousand feet of yellow pine lumber prevailing at Montgomery, Alabama, of the description and dimensions as set forth in said sheet, for the months named therein, to-wit: the month of October, 1901, the month of October, 1902, the month of October, 1903, and the month of October, 1904, as well as the prices prevailing at the present time.

R. H. DAVIS.

Sworn to and subscribed before me, this the 10th day of June, 1905.

[Seal] PORTER McKAY,
Notary Public, Montgomery County, Alabama.

EXHIBIT "A."

Wholesale Carload Prices Yellow Pine Lumber at Montgomery, Alabama.

Per 1,000 Feet.

Description. Dimensions.

Flooring Edge, Grain A, 13/16x3-1/4.
October, 1901, $21.00; October 1902, $20.50; October, 1903, $20.00; October 1904, $21.00; present prices $25.00.

Flooring Edge, Grain B, 13/16x3-1/4.
October, 1901, $19.00; October, 1902, $18.50; October, 1903, $18.00; October, 1904, $19.00; present prices $23.00.

Flooring Flat, Grain A, 13/16x3-1/4.
October, 1901, $16.50; October, 1902, $16.00; October, 1903, $15.50; October, 1904, $16.50; present prices $20.50.

Flooring Flat, Grain B, 13/16x3-1/4.
October, 1901, $15.50; October, 1902, $15.00; October, 1903, $14.50; October, 1904, $15.50; present prices $19.50.

Flooring No. 1 Common, 13/16x3-1/4.
October, 1901, $14.00; October, 1902, $13.50; October, 1903, $13.00; October, 1904, $14.00; present prices $18.00.

Flooring No. 2 Common, 13/16x3-1/4.
October, 1901, $10.00; October, 1902, $9.50; October, 1903, $9.00; October, 1904, $9.00; present prices $11.25.

Partition A, 13/16x3/4 or 5-1/4.
October, 1901, $16.00; October, 1902, $15.50; October, 1903, $15.00; October, 1904, $18.00; present prices $21.00.

Bevel Siding A, 1 in stock.
October, 1901, $12.00; October, 1902, $12.00; October, 1903, $12.00; October, 1904, $11.00; present prices $14.00.

Bevel Siding A, 1-1/4 in. stock.
October, 1901, $13.00; October, 1902, $13.00; October, 1903, $13.00; October, 1904, $12.00; present prices $15.00.

Drop Siding A, 13/16x3-1/4 or 5-1/4.
October, 1901, $17.00; October, 1902, $16.50; October, 1903, $16.00; October, 1904, $16.00; present prices $20.00.

Finishing S 2-S 1st and 2nd Clear, 1-x12.
October, 1901, $20.00; October, 1902, $19.50; October, 1903, $19.00; October, 1904, $21.00; present prices $25.00.

Common Boards, 1x12 No. 1.
October, 1901, $13.00; October, 1902, $12.50; October, 1903, $12.00; October, 1904, $12.00; present prices $15.00.

Common Boards, 1x12 No. 2.
October, 1901, $10.50; October, 1902, $10.00; October, 1903, $9.50; October, 1904, $10.00; present prices, $12.00.

Shiplap or D & M 16 ft., 1x12 No. 1.
October, 1901, $13.00; October, 1902, $12.50; October, 1903, $12.00; October, 1904, $14.00; present prices $15.00.

Fencing 16 ft., Size 1x6 No. 1.
October, 1901, $13.50; October, 1902, $13.00; October, 1903, $13.00; October, 1904, $12.00; present prices $14.00.

Fencing 16 ft., 1x6 No. 2.
October, 1901, $10.50; October, 1902, $10.00; October, 1903, $10.00; October, 1904, $9.00; present prices $11.00.

2 EXHIBIT "A"—Continued.

Per 1,000 Feet.

Description. Dimensions.

Dimensions S I S 1E 16 ft., 2x4.
October, 1901, $9.50; October, 1902, $9.50; October, 1903, $9.50; October, 1904, $10.00; present prices $10.50.

No. 2 Dimensions 16 ft., 2x4 S. E. Rough.
October, 1901, $9.00; October, 1902, $9.00; October, 1903, $9.00; October, 1904, $9.50; present prices $10.00.

Heavy Joists, S I S 1E 16ft., 3x6 and 3x8.
October, 1901, $9.50; October 1902, $9.50; October, 1903, $9.50; October, 1904, $10.00; present prices $10.50.

Timbers 16ft, 4x4 and 4x6 S & E.
October, 1901, $9.00; October, 1902, $9.00; October, 1903, $9.00; October, 1904, $9.50; present prices, $10.00.

Lumber for Cars.

Flooring, 2-1/4x8x9, Grade 4.
October, 1901, $12.00; October, 1902, $12.00; October, 1903, $12.00; October, 1904, $13.00; present prices, $14.00.

Siding, 1x4x9 and 18, Grade No. 3 (KD) Rough.
October, 1901, $14.00; October, 1902, $14.00; October, 1903, $14.00; October, 1904, $15.00; present prices $16.00.

Roofing, 1x6x10 and 15, Grade 6 (KD) not used.

Side Boards, 2-1/2x10x36, No. 4.
October, 1901, $11.00; October, 1902, $11.00; October, 1903, $11.00; October, 1904, $11.00; present prices $11.00.

Side Boards, 2-1/2x12x36, No. 4.
October, 1901, $14.00; October, 1902, $14.00; October, 1903, $14.00; October, 1904, $15.00; present prices $16.00.

Box Car Sills, 5-1/2x9-1/2x36, No. 3.
October, 1901, $13.00; October, 1902, $13.00; October, 1903, $13.00; October, 1904, $15.00; present prices $16.00.

Gondola Sills, 5-1/4x13-3/4x36, No. 3.
October, 1901, $16.00; October, 1902, $16.00; October, 1903, $16.00; October, 1904, $17.00; present prices $17.50.

Lumber for Bridges.

Guide Rails, 5x9x18, 4x9x18, Heart.
October, 1901, $10.00; October, 1902, $10.00; October, 1903, $10.00; October, 1904, $11.00; present prices $12.00

Stringers, 8x16x28 to 30 ft.
October, 1901, $22.50; October, 1902, $22.50; October, 1903, $22.50; October, 1904, $22.50; present prices $22.50.

Lumber for Trestles.

Guide Rails, 5x9x18.
October, 1901, $11.00; October, 1902, $11.00; October, 1903, $11.00; October, [1904], $11.00; present prices $11.00.

Stringers, 8x16x24 to 30 ft., 9x18x30.
October, 1901, $22.50; October, 1902, $22.50; October, 1903, $22.50; October, 1904, $22.50; present prices $22.50.

Page No. 3.

EXHIBIT "A"—Continued.

Per 1,000 Feet.

Description. Dimensions.

Bolsters, 8x17x4.
October, 1901, $18.00; October, 1902, $18.00; October, 1903, $18.00; October, 1904, $19.00; present prices $20.00.

Taps, 12x14x12.
October, 1901, $20.00; October, 1902, $20.00; October, 1903, $20.00; October, 1904, $21.00; present prices $21.00.

Tops, 12x12x12.
October, 1901, $14.00; October, 1902, $14.00; October, 1903, $14.00; October, 1904, $14.50; present prices $15.00.

Logs, 12x12x12 30 ft.
October, 1901, $14.00; October, 1902, $14.00; October, 1903, $14.00; October, 1904, $14.50; present prices $15.00.

Piles.
9 or 10 in. at small end, 30 to 9 5ft. long. Not used.

Bracing, 2-1/2x10x20 to 30 ft.
" 4x9x20 to 30 ft.
October, 1901, $11.00; October, 1902, $11.00; October, 1903, $11.00; October, 1904, $11.00; present prices $11.00.

Sills, 12x12x15 to 30 ft.
October, 1901, $15.00; October, [1902], $15.00; October, 1903, $15.00; October, 1904, $15.00; present prices $15.00.

Affidavit of R. H. Davis attached.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

607 AFFIDAVIT OF R. S. WILLOCK.

In the Fifth Circuit Court of the United States, for the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

State of Tennessee,
County of Davidson.

Personally appeared before me E. B. Duval, a notary public duly and regularly appointed, commissioned and qualified, in and for the State and County aforesaid, R. S. Willock, who made oath in due form of law that he is the General Agent at Nashville, Tennessee, for the Louisville & Nashville Railroad Company, one of the defendants in the above entitled cause; that he files herewith a statement headed "Nashville—Market," comprising thirteen (13) typewritten pages, which statement he has caused to be correctly compiled from the "Yellow Pine Price Currents" issued by the Southern Lumber Manufacturers' Association of St. Louis, Missouri, effective on the following dates: July 20, 1901; June 11, 1902; October 15, 1903, and October 15, 1904; and from "Yellow Pine Lumber List" "A. G." effective May 16, 1905. Said statement shows the price of the various grades and dimensions of yellow pine lumber therein set forth in the Nashville market on the dates specified.

R. S. WILLOCK.

Sworn to and subscribed before me this 16 day of June, 1905.

Witness my hand and notarial seal at office in Nashville, Tenn., the day and year aforesaid.

[Seal] E. B. DUVAL,
Notary Public.

NASHVILLE—MARKET.

Flooring.

Heart Face. Edge Grain A	13/16x3-1/4.	13/16x5-1/4.
October, 1901	32.75	
October, 1902	34.75	
October, 1903	35.75	
October, 1904	37.75	
May, 1905	40.25	

Edge Grain A.

October, 1901	25.75
October, 1902	27.75
October, 1903	27.75
October, 1904	26.75
May, 1905	29.25

Edge Grain B.

October, 1901	23.75
October, 1902	25.25
October, 1903	24.25
October, 1904	24.75
May, 1905	27.25

Edge Grain C.

October, 1901	19.25
October, 1902	20.75
October, 1903	19.75
October, 1904	19.75
May, 1905	22.25

Flooring.

Flat Grain A.	13/16x3-1/4.	13/16x5-1/4.
October, 1901	19.25	20.25
October, 1902	20.75	21.75
October, 1903	19.75	20.75
October, 1904	20.75	21.75
May, 1905	23.25	24.25
Flat Grain B.		
October, 1901	18.25	19.25
October, 1902	19.75	20.75
October, 1903	18.75	19.75
October, 1904	19.75	20.75
May, 1905	22.25	23.25
No. 1. Common.		
October, 1901	15.75	16.25
October, 1902	....	....
October, 1903	....	....
October, 1904	....	....
May, 1905	19.25	20.25

No. 2. Common.		
October, 1901	12.75	13.25
October, 1902	....	....
October, 1903	....	....
October, 1904	....	....
May, 1905	14.75	16.75

Ceiling—Beaded.

3/8x3-1/4 or 5-1/4.	A.	B.	No. 1 Common.
October, 1901	13.50	11.50	10.00
October, 1902	15.00	13.00	11.50
October, 1903	14.50	12.50	11.00
October, 1904	14.50	13.50	12.00
May, 1905	15.50	14.50	13.00
1/2x3-1/4 or 5-1/4.			
October, 1901	16.25	15.25	12.00
October, 1902	17.75	16.75	13.50
October, 1903	17.25	16.25	13.00
October, 1904	17.75	16.75	14.25
May, 1905	19.25	18.25	15.75
5/8x3-1/4 or 5-1/4.			
October, 1901	18.00	17.00	13.25
October, 1902	19.50	18.50	14.75
October, 1903	19.00	18.00	14.25
October, 1904	19.50	18.50	15.00
May, 1905	21.50	20.50	17.00
3/4x3-1/4 or 5-1/4.			
October, 1901	19.00	18.00	15.25
October, 1902	20.50	19.50	16.75
October, 1903	20.00	19.00	16.25
October, 1904	20.50	19.50	17.00
May, 1905	23.00	22.00	19.50

Partition.

3/4x3-1/4 or 5-1/4	A.	B.	No. 1. Common.
October, 1901	20.25	19.75	17.25
October, 1902	21.75	21.25	18.75
October, 1903	21.25	20.75	18.25
October, 1904	22.25	21.25	18.25
May, 1905	25.75	24.75	21.75

Bevel Siding.

From 1 inch stock.			
October, 1901	13.00	12.00	11.00
October, 1902	14.50	13.50	12.50
October, 1903	14.00	13.00	12.00
October, 1904	14.00	13.00	12.00
May, 1905	16.00	15.00	14.00
From 1-1/4 inch stock.			
October, 1901	15.00	14.50	13.50
October, 1902	16.50	16.00	15.00
October, 1903	16.00	15.50	14.50
October, 1904	17.00	16.50	15.50
May, 1905	19.00	18.50	17.50

Drop Siding.

3/4x3-1/4x5-1/4.			
October, 1901	20.25	19.75	16.75
October, 1902	21.75	21.25	18.25
October, 1903	21.25	20.75	17.75
October, 1904	21.75	21.25	18.75
May, 1905	23.75	23.25	20.75

Finishing—S. 2 S.

	1st & 2nd Clear.	3rd Clear.
1x4 inch S. 2 S. 13/16.		
October, 1901	21.00	18.00
October, 1902	24.00	21.00
October, 1903	22.50	19.50
October, 1904	24.00	22.00
May, 1905	29.00	27.00
1x6 in. S 2 S. 13/16.		
October, 1901	22.50	19.50
October, 1902	27.50	24.50
October, 1903	26.00	23.00
October, 1904	24.00	22.00
May, 1905	31.50	29.50
1x5, 8 and 10 inch S. 2 S. 13/16.		
October, 1901	24.50	21.50
October, 1902	27.50	24.50
October, 1903	26.00	23.00
October, 1904	26.00	24.00
May, 1905	....	....

1x12 inch S. 2 S. 13/16.		
October, 1901	23.50	23.50
October, 1902	29.50	26.50
October, 1903	28.00	25.00
October, 1904	28.00	26.00
May, 1905	....	....

Finishing—S. 2 S.

	1st & 2nd Clear.	3rd Clear.
1-1/4x4, 6 8 and 10 inch. S. 2 S. 1-3/32.		
October, 1901	26.75	23.75
October, 1902	29.75	26.75
October, 1903	28.25	25.25
October, 1904	28.25	26.25
May, 1905	33.75	31.75
1-1/4x12 inch S. 2 S. 1-3/32.		
October, 1901	27.75	24.75
October, 1902	30.75	27.75
October, 1903	29.25	26.25
October, 1904	29.25	27.25
May, 1905	34.75	32.75
1-1/2x4, 6, 8 and 10 inch S. 2 S. 1-11/32.		
October, 1901	26.75	23.75
October, 1902	29.75	26.75
October, 1903	28.25	25.25
October, 1904	28.25	26.25
May, 1905	33.75	31.75
1-1/2x12 inch S. 2 S. 1-11/32.		
October, 1901	27.75	24.75
October, 1902	30.75	27.75
October, 1903	29.25	26.25
October, 1904	29.25	27.25
May, 1905	34.75	32.75

Finishing—S. 2. S.

	1st & 2nd Clear	3rd Clear
1/1/4x4.6.8. and 10 inch S. 2 S. 1-3/32.		
October, 1901	26.75	23.75
October, 1902	29.75	26.75
October, 1903	28.25	25.25
October, 1904	28.25	26.25
May, 1905	33.75	31.75

1-1/4x12 inch S. 2 S. 1-3/32.		
October, 1901	27.75	24.75
October, 1902	30.75	27.75
October, 1903	29.25	26.25
October, 1904	29.25	27.25
May, 1905	34.75	32.75
1-1/2x4.6.8 and 10 inch S. 2 S. 1 11/32.		
October, 1901	26.75	23.75
October, 1902	29.75	26.75
October, 1903	28.25	25.25
October, 1904	28.25	26.25
May, 1905	33.75	31.75
1-1/2x12 inch S. 2 S. 1-11/32.		
October, 1901	27.75	24.75
October, 1902	30.75	27.75
October, 1903	29.25	26.25
October, 1904	29.25	27.25
May, 1905	34.75	32.75

Finishings—S. 2 S.

	1st & 2nd Clear	3rd Clear
2x4 and2x6 inch S. 2 S. 1-3/4.		
October, 1901	26.75	23.75
October, 1902	29.75	26.75
October, 1903	28.25	25.25
October, 1904	28.25	26.25
May, 1905	33.75	31.75
2x8 and 2x10 inch S. 2 S. 1-3/4.		
October, 1901	28.25	25.25
October, 1902	31.25	28.25
October, 1903	29.75	26.75
October, 1904	29.75	27.75
May, 1905	35.25	33.25
2x12 inch S. 2 S. 1-3/4.		
October, 1901	29.25	26.25
October, 1902	32.25	29.25
October, 1903	30.75	27.75
October, 1904	30.75	28.75
May, 1905	36.25	34.25

Moulded Casings and Base.

	A.	B.
From 4 and 6 inch stock B. M.		
October, 1901	27.75	25.75
October, 1902	30.75	27.75
October, 1903	29.25	26.25
October, 1904	29.25	26.25
May, 1905	34.75	31.75
From 8 and 10 inch stock B. M.		
October, 1901	28.50	26.50
October, 1902	31.75	28.75
October, 1903	30.25	27.25
October, 1904	30.25	27.25
May, 1905	35.75	32.75
From 1x4 and 6 inch S. 4 S. Plain B. M.		
October, 1901	26.00	24.00
October, 1902	....	....
October, 1903	....	....
October, 1904	....	....
May, 1905	....	....

Door and Window Jambs.

	A.	B.
From 1x4 and 1x6 inch stock. B. M.		
October, 1901	28.50	26.50
October, 1902	31.50	28.50
October, 1903	30.00	27.00
October, 1904	30.00	27.00
May, 1905	35.50	32.50

Door and Window Jambs.

	A.	B.
From 1-1/4, 1-1/2 and 2 inch stock. B. M.		
October, 1901	30.50	28.50
October, 1902	33.50	30.50
October, 1903	32.00	29.00
October, 1904	32.00	29.00
May, 1905	37.50	34.50

Common Boards S. 1 S.	10 ft.	16 ft.	20 ft.
1x8. No. 1.			
October, 1901	15.00	14.50	15.00
October, 1902	16.00	15.50	16.00
October, 1903	16.50	16.00	16.50
October, 1904	16.50	16.00	16.50
May, 1905	17.00	16.50	17.00
1x12. No.1.			
October, 1901	17.75	16.50	17.75
October, 1902	18.75	17.50	18.75
October, 1903	18.75	17.50	18.75
October, 1904	18.75	17.50	18.75
May, 1905	19.25	18.25	19.25
1x8. No. 2.			
October, 1901	13.50	13.50	13.50
October, 1902	13.00	13.00	13.00
October, 1903	14.50	14.50	14.50
October, 1904	14.50	14.50	14.50
May, 1905	15.00	15.00	15.00

Common Boards S. 1 S.	10 ft.	16 ft.	20 ft.
1x12. No. 2.			
October, 1901	16.25	14.75	16.25
October, 1902	15.75	14.25	15.75
October, 1903	16.25	14.75	16.25
October, 1904	16.25	14.75	16.25
May, 1905	16.75	15.75	16.75

Shiplap, or D. & M.	10 ft.	16 ft.	20 ft.
1x8. No. 1.			
October, 1901	15.50	15.00	15.50
October, 1902	16.50	16.00	16.50
October, 1903	17.00	16.50	17.00
October, 1904	17.00	16.50	17.00
May; 1905	17.50	17.00	17.50
1x12. No. 1.			
October, 1901	18.25	17.00	18.25
October, 1902	19.25	18.00	19.25
October, 1903	19.25	18.00	19.25
October, 1904	19.25	18.00	19.25
May, 1905	19.75	18.75	19.75

Fencing—S. 1 S.

	10 ft.	16 ft.	20 ft.
1x6. No. 1.			
October, 1901	14.50	15.00	14.50
October, 1902	15.00	15.50	15.00
October, 1903	16.00	16.50	16.00
October, 1904	15.50	16.00	15.50
May, 1905	16.50	17.00	16.50
1x6. No. 2.			
October, 1901	13.00	13.50	13.00
October, 1902	13.00	13.50	13.00
October, 1903	14.50	15.00	14.50
October, 1904	13.50	14.00	13.50
May, 1905	14.00	14.50	14.00

No. 1 Dimensions.

2x6 S. 1 E.			
October, 1901	14.00	13.50	14.00
October, 1902	14.50	14.00	14.50
October, 1903	15.00	14.50	15.00
October, 1904	14.50	14.00	14.50
May, 1905	15.00	14.50	15.00
2x12 S. 1 E.			
October, 1901	15.00	14.50	15.00
October, 1902	16.00	15.50	16.00
October, 1903	17.00	16.00	17.00
October, 1904	16.50	15.50	16.50
May, 1905	17.00	16.00	17.00

No. 2 Dimensions.

	10 ft.	16 ft.	20 ft.
2x4 S. and E.			
October, 1901	12.50	12.00	12.50
October, 1902	13.50	12.50	13.50
October, 1904	15.00	13.50	15.00
October, 1904	14.50	13.50	14.50
May, 1905	15.50	14.00	15.50
2x12 S. and E.			
October, 1901	13.50	13.00	13.50
October, 1902	14.00	13.50	14.00
October, 1903	15.50	14.50	15.50
October, 1904	15.00	14.00	15.00
May, 1905	15.50	14.50	15.50

Heavy Joists.—S. 1 S. 1 E.

3x6 and 3x8.			
October, 1901	17.00	16.50	17.00
October, 1902	17.50	17.00	17.50
October, 1903	18.00	17.50	18.00
October, 1904	18.50	18.00	18.50
May, 1905	19.00	18.50	19.00
2 1/2x14 and 3x14.			
October, 1901	18.50	17.50	18.50
October, 1902	19.00	18.00	19.00
October, 1903	19.50	18.50	19.50
October, 1904	20.00	19.00	20.00
May, 1905	20.50	19.50	20.50

Timbers.

	10 ft.	16 ft.	20 ft.
4x4 and 4x6. S. and E.			
October, 1901	16.75	16.25	16.75
October, 1902	17.00	16.50	17.00
October, 1903	17.50	17.00	17.50
October, 1904	18.00	17.50	18.00
May, 1905	.....	.....	.....
4x10 to 12x12. Rgh. of S. 4 S.			
October, 1901	18.00	17.50	18.00
October, 1902	18.50	18.00	18.50
October, 1903	19.00	18.50	19.00
October, 1904	19.50	19.00	19.50
May, 1905	20.00	19.50	20.00

Wagon Bottoms.

	A.	B.
Per set, D. & M. 38 in face.		
October, 1901	.95	.85
October, 1902	1.05	.95
October, 1903	1.05	.95
October, 1904	1.05	.85
May, 1905	1.20	1.10

Battens.

2-1/2 in. plain or O. G.	
October, 1901	.55
October, 1902	.55
October, 1903	.55
October, 1904	.55
May, 1905	.55

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

608 AFFIDAVIT OF E. A. HALLAM.

In the Circuit Court of the United States for the Western Division Southern District of Georgia.

H. H. Tift, et al.,
vs.
Southern Railway, et al.

Georgia,
Dougherty County.

Before the undersigned appeared E. A. Hallam, who being duly sworn, deposes and says that for a number of years he has been engaged in the business of selling yellow pine lumber, and that for the past three years he has been the General Manager of the Red Cypress Lumber Company, doing business at Walker Station on the Central of Georgia Railway, twelve miles from Albany, Dougherty County, Georgia.

The said Red Cypress Lumber Company operates under the management of deponent both a cypress sawmill and a yellow pine sawmill, and deponent has had charge of the sales of all lumber for the said company during the said period.

Deponent says that price on yellow pine lumber advanced steadily for some time until the spring of 1903, at which time a depression ensued and continued until shortly before or until the time of the Presidential Election of 1904. The larger part of the output of the pine mill operated by deponent's company has always found its market in the West and points beyond the Ohio river, the greater proportion of the said output of the pine mill being shipped to car building companies and railroad companies in the West and points beyond the Ohio river, and the classes of lumber shipped being the larger sizes of lumber used in car building, and in bridge building and other railroad structural work.

Orders for lumber going to car building plants and railroad companies materially fell off during the above named
609 period in 1903 and 1904 on account of the lessened demand for the said classes of lumber, prices were lowered somewhat over prices prevailing in 1902.

In the fall of 1904, as above stated, prices commenced to advance sharply, and orders began to be freely placed. The demand has continued to increase and is now very large and prices now being obtained are the highest ever before known to deponent for yellow pine lumber. The demand has steadily increased and is now very large, and the movement from de-

ponent's mill to points on the Ohio river and beyond are about the same at the present time as they were previous to the period of depression.

Deponent says that a period of depression in the lumber business sometimes follows a continued period of high prices and strong demand, that purchasers lay in large stocks and buyers withdraw from the market. That some times a depression will come about apparently with no more reason than disturbed political conditions.

Deponent says that weather conditions in the Georgia pine district were very unfavorable in January and February, 1905, and curtailed the output sharply during that period; that owing to a rainy spring season there has been a lessening of working hours and days and a proportionate decrease in the output of the mills.

Deponent says that the average increase in prices on lumber at the present time over prices obtained previous to the depression period average about $2.50 per M.

Deponent says that the demand in the interior Georgia and Alabama points has materially increased in the past few years and that the prices on flooring and ceiling and other materials used in construction in cities have advanced in price, and are now higher than ever before known to deponent, and owing to the active demand there is a prospect of a continuous and steady market.

EDWIN A. HALLAM.

Sworn to and subscribed before me this 13th day of June, 1905.

[Notarial Seal]

C. B. ELLIS,
N. P. Dougherty Co., Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

610 AFFIDAVIT OF E. A. HALLAM.

In the Circuit Court of the United States for the Western Division Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
Southern Railway, et al.

Georgia,
Dougherty County.

Before the undersigned personally appeared E. A. Hallam, who being duly sworn deposes and says that attached hereto marked Exhibit "A" is a statement made up by deponent from the records showing a few of the bridge timbers with the present prices obtained by deponent's company, and the approximate net prices for the same grade of lumber obtained in 1903 and to October, 1904, which prices show an average increase of about $2.75 per M.

Deponent attaches as Exhibit "B" a statement of prices on a few sizes of car sills, the prices obtained at the present time and the prices obtained previous to October, 1904, which show an average increase of practically $2.50 per M.

Deponent says that boards and other lumber sold principally in the local market will average an advance somewhat more than $2.50 per M.

Deponent says that the prices set forth in the foregoing exhibits made by deponent of prices obtained at his own mill are about $1.00 per M. less than would be obtained by a mill having larger capacity, larger mills being able to take complete orders and are able to produce more material of given grades and sizes in less time than deponent's mill, and by being able to thus classify the lumber, obtain a price at about $1.00 per M. more than is obtained by deponent.

Deponent attaches hereto as Exhibit C a statement showing a portion of the price list adopted by the Southern Lumber Manufacturers' Association on May 16th, 1905. The first column showing the price of the lumber delivered
611 on a basis of a 23 cent rate, the second column showing the net price to the mill on such orders at such prices.

E. A. HALLAM.

Sworn to and subscribed before me this 13th day of June, 1905.

C. B. ELLIS,
[Seal] N. P. Dougherty Co., Ga.

EXHIBIT A.

Bridge.	Timber.	Present Sales.	1904 Prices.
10	x16 30	$ 16.00	$ 12.50
8	x16 30	18.00	13.00
12	x12 32	12.50	10.50
12	x12 25	12.00	10.00
4	x16 30	16.00	12.50
3	x10 20	12.00	9.50
5	1/2x12 30	14.00	10.50
10	x10 30	12.50	8.50
7	1/2x16 30	19.00	13.50
		$132.00	$100.50
	Average	$ 14.66	$ 11.88
	Increase	$ 2.78	

EXHIBIT B.

	Car Sills.		1905.	1903-4.
5	1/2x12 30	to 34	$13.50	$10.00
5	x 9 34		11.50	8.00
10	x10 30	to 34	11.50	9.00
5	x10 30	to 34	11.50	9.00
10	x19 34	to 36	13.50	11.00
5	1/4x 8 1/2 30	to 34	11.00	9.00
4	3/4x10 1/4 30		12.00	9.50
			$84.50	$65.50
	Average		$12.07	$ 9.50
	Increase		$ 2.50	

23c. Rate—Delivered Flooring.

	13-16x3 1/4 F.O.B.		13-16x5 1/4 F.O.B.	
Heart Face, Edge Grain B and better	$41.50	36.25	$	Weight 2400
Edge Grain, A	$30.50	25.25	$	M.
Edge Grain, B	$28.50	23.25	$	Flat Back.
Edge Grain, C	$23.50	18.25	$	
Flat Grain, A	$24.50	19.25	$25.50	20.00
Flat Grain, B	$23.50	18.25	$24.50	19.00
Flat Grain, C	$22.00	16.75	$23.00	17.50
No. 1 Fence	$20.50	15.25	$21.50	16.00
No. 2 Fence	$16.00	10.75	$18.00	12.50

Finishing.

	1st & 2nd Clear.		3rd Clear.		Select.	
1x4 inch, S2S 13-16	$30.50	24.00	$28.50	$22.00	$24.50	$18.00
1x6 inch, S2S 13-16	33.00	26.50	31.00	24.50	27.00	20.50
1x5, 8 & 10 inch, S2S 13-16	33.00	26.50	31.00	24.50	27.00	20.50

2800 per M.

Finishing.

1x12 inch, S2S 1 3-32	35.00	28.50	33.00	26.50	29.00	22.50
1 1/4x4, 6, 8 & 10 inch, S2S 1 3-32	35.50	28.50	33.50	26.50	29.50	22.50
1 1/4x12 inch, S2S 1 2-32	36.50	29.50	34.50	27.50	30.50	23.50
1 1/2x4, 6, 8 & 10 inch, S2S 11-32	35.50	28.50	33.50	26.50	29.50	23.50
1 1/2x12 inch	36.50	29.50	34.50	27.50	30.50	24.50
2x4 & 2x6 inch, S2S 1 3/4	35.50	27.50	33.50	25.50	29.50	21.50
2x8 & 2x10 inch, S2S 1 3/4	37.00	29.00	35.00	27.00	31.00	23.00
2x12 inch, S2S 1 3/4	38.00	30.00	36.00	28.00	32.00	24.00

Common Boards SIS.

	10 ft.		14 ft.		20 ft.	
1x8 No. 1	$18.50	$11.00	$18.00	$10.50	$18.50	$11.00
1x10 No. 1	19.00	11.50	18.50	11.00	19.00	11.50
1x12 No. 1	20.75	13.25	19.75	12.25	20.75	13.25
1x8 No. 2	16.50	9.00	16.50	9.00	16.50	9.00
1x10 No. 2	16.50	9.00	16.50	9.00	16.50	9.00
1x12 No. 2	18.25	12.75	17.25	11.75	18.25	12.75

#1 Dimension SISIE.	10 ft.		14 ft.		18 ft.		23 & 24 ft.	
2x6	$16.50	$ 8.50	$16.00	$ 8.00	$16.50	$ 8.50	$18.50	$10.50
2x8	18.00	10.00	16.50	8.50	18.00	10.00	19.00	11.00
2x4	18.50	10.50	17.00	9.00	18.50	10.50	19.00	11.00
2x10	18.00	10.00	17.00	9.00	18.00	10.00	19.50	10.50
2x12	18.50	10.50	17.50	9.50	18.50	10.50	20.00	12.00

$35.00 per M.

Heavy Joints SISIE.	10 ft.		14 ft.		18 ft.		22 & 24 ft.	
4x4 & 4x6 S&E	$20.50	$11.25	$20.00	$19.25	$20.50	$11.25	$21.50	$12.25
3x6 and 3x8	21.00	11.75	20.50	11.25	21.00	11.75	22.50	13.25
2x10 and 3x12	22.00	12.75	21.00	11.75	22.00	12.75	23.50	14.25
2x14	22.50	13.25	21.50	12.50	22.50	13.25	24.00	14.75
2 1/2x14 and 3x14 ..	22.50	13.25	21.50	12.50	22.50	13.25	24.00	14.75

For rough add $1.00.

Timbers.

	10'		14'		18'		22' & 24'	
4x8 to 8x8 rgh	$21.50	$11.00	$21.00	$10.50	$21.50	$11.00	$22.50	$12.00
4x10 to 12x12 rgh	22.50	12.00	22.00	11.50	22.50	12.00	23.50	13.00

For every 2 feet over 24 up to 32 add $1.00 per M.— Over 32 Special.

(Indorsed:) Filed June 20, 1905. Cecil Morgan, Deputy Clerk.

612 AFFIDAVIT OF C. B. COMPTON.

In the Fifth Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Co., et al.

Affidavit of C. B. Compton.

State of Kentucky,
County of Jefferson.

Personally appeared before me G. W. B. Olmstead, a notary public duly and regularly appointed, commissioned and qualified, in and for the State and County aforesaid, C. B. Compton, who made oath in due form of law that he is the Traffic Manager of the Louisville & Nashville Railroad Company, one of the defendants in the above entitled cause; that he files herewith as a part of this affidavit a statement headed: "Chicago Market on Yellow Pine Lumber, Jany. 1, 1891, to June 30, 1905," which statement shows the prices on the Chicago market of yellow pine lumber of the grades therein specified during each quarter from January 1, 1891, to June 30, 1905; that said statement also shows the rate per hundred pounds on yellow pine lumber from Georgia Group 1 to Chicago during each of said quarters, and the percentage that the total freight per one thousand feet is of the average price per thousand feet during each of said quarters.

C. B. COMPTON.

Sworn to and subscribed before me this 12th day of June, 1905.

Witness my hand and notarial seal at office in Louisville, Ky., the day and year aforesaid.

G. W. B. OLMSTEAD,
[Notarial Seal] Notary Public.

Chicago Market on Yellow Pine Lumber, Jany. 1, 1891, to June 30, 1905.

1891.		Fr't Rate to Chicago From Group 1.		1892.		Fr't Rate to Chicago From Group 1.	
First Quarter.							
A.	$23.00-25.00	#25c.	x28c.	$21.00-22.00		24c.	
B.	15.00-16.00	#25c.	x28c.	15.00-16.00	37%	24c.	35%
C.	.....			21.50-23.50		24c.	
Second Quarter.							
A.	$22.00-24.00	#25c.	x28c.	$18.00-		24c.	
B.	15.00-16.00	#25c.	x28c.	14.00-	37%	24c.	39%
C.	.....			21.00-23.00		24c.	
Third Quarter.							
A.	$21.00-22.00	#25c.	x28c.	$17.00-18.00		24c.	
B.	15.00-16.00	#25c.	x28c.	14.00-	37%	24c.	39%
C.	.....			21.50-		24c.	
Fourth Quarter.							
A.	$21.00-22.00	24c.	Nov. 28,	$17.50-18.00		24c.	
B.	15.00-16.00	24c.	1891.	14.00-15.00	35%	24c.	38%
C.	.....	24c.		20.00-22.00		24c.	

1893.				1894.			
First Quarter.							
A.	$17.50-18.00	24c.		$16.50-17.00		24c.	
B.	15.00-16.00	24c.		12.00-13.00	35%	24c.	44%
C.	20.00-22.00	24c.		17.50-20.00		24c.	

Second Quarter.						
A.	$17.50-18.00		24c.	15.00-16.00	22c.	May 17,
B.	14.00-15.00	33%	24c.	11.00-12.00	22c.	1894. 44%
C.	20.00-22.00		24c.	17.50-20.00	22c.	
Third Quarter.						
A.	$17.50-18.00		24c.	$16.00-	22c.	
B.	14.00-15.00	38%	24c.	12.00-13.00	22c.	40%
C.	20.00-22.00		24c.	17.50-20.00	22c.	
Fourth Quarter.						
A.	$17.00-		24c.	$16.00-	22c.	
B.	13.00-14.00	40%	24c.	12.00-13.00	22c.	40%
C.	20.00-22.00		24c.	17.50-20.00	22c.	
	1895.			1896.		
First Quarter.						
A.	$14.00		22c.	$16.00-16.50	22c.	
B.	11.00-11.50	45%	22c.	13.00-14.00	22c.	37.5%
C.	16.50-17.00		22c.	15.75-17.00	22c.	
Second Quarter.						
A.	$14.00-15.00		22c.	$16.00-16.50	22c.	
B.	11.00-11.50	45%	22c.	13.00-14.00	22c.	37.5%
C.	15.00-17.00		22c.	15.75-17.00	22c.	
Third Quarter.						
A.	$14.50-15.50		22c.	$12.00-	22c.	
B.	11.50-12.50	42%	22c.	10.00-	22c.	50.6%
C.	15.00-17.00		22c.	15.50-	22c.	

Fourth Quarter.

A.	$16.00-16.50		22c.	$12.00-	22c.	
B.	13.00-14.00	37.5%	22c.	10.00-	22c.	50.6%
C.	15.75-17.00		22c.	15.50-	22c.	

Sheet 2.

Jun

1897.		Fr't Rate to Chicago From Group 1.	1898.	Fr't Rate to Chicago. From Group 1.	
First Quarter.					
A. $12.00-		22c.	$14.00-	22c.	
B. 10.00-	50%	22c.	12.00-	22c.	42%
C. 15.50-		22c.	18.00-	22c.	
Second Quarter.					
A. $12.50-13.00		22c.	$14.00-14.50	22c.	
B. 10.50-11.00	47%	22c .	12.00-14.00	22c.	38.8%
C. 15.00?15.50		22c.	17.00-18.00	22c.	
Third Quarter.					
A. $12.00-		22c.	$14.00-	22c.	
B. 10.00-	50.6%	22c.	12.00-	22c.	42%
C. 14.00-15.00		22c.	17.00-18.00	22c.	
Fourth Quarter.					
A. $14.00-		22c.	$15.00-16.00	22c.	
B. 12.00-	42%	22c.	12.50-13.00	22c.	39%
C. 18.00-		22c.	16.00-17.00	22c.	

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1899.				1900.			
First Quarter.							
A.	$15.00-15.50	22c.		$21.25-22.25	24c.	Jany. 1,	
B.	12.50-13.00 39%	22c.		18.25-18.75	24c.	1900.	30%
C.	15.00-17.00	22c.		18.75-21.25	24c.		
Second Quarter.							
A.	$16.50-17.00	22c.		$20.25-21.25	24c.		
B.	14.00-14.50 35 5%	22c.		17.25-17.75	24c.	31%	
C.	18.00-19.00	22c.		18.75-21.25	24c.		
Third Quarter.							
A.	$19.00-20.00	22c.		$18.00-19.00	24c.		
B.	16.50-17.00 30%	22c.		15.00-15.50	24c.	36%	
C.	16.00-18.50	22c.		17.00-19.50	24c.		
Fourth Quarter.							
A.	$20.75-21.75	23c.	Sep. 8,	$19.00-20.00	24c.		
B.	17.75-18.25 29%	23c.	1899	16.50-17.00	24c.	33%	
C.	18.25-20.75	23c.		17.00-20.00	24c.		

1901.			1902.		
First Quarter.					
A.	$19.00-20.00	24c.	$22.50-23.50	24c.	
B.	16.50-17.00 33%	24c.	18.50-19.50	24c.	29%
C.	18.50-21.00	24c.	19.50-22.00	24c.	

Second Quarter.					
A.	$19.50-20.50	24c.		$22.50-23.50	24c.
B.	17.00-17.50 32%	24c.		18.50-19.50	24c. 29%
C.	19.00-21.50	24c .		19.50-22.00	24c.
Third Quarter.					
A.	$20.50-21.50	24c.		$22.50-23.50	24c.
B.	17.00-17.50 32%	24c.		18.50-19.50	24c. 29%
C.	19.00-21.50	24c.		19.50-22.00	24c.
Fourth Quarter.					
A.	$20.50-21.50	24c.		$21.00-22.00	24c.
B.	17.00-17.50 32%	24c.		18.50-19.50	24c. 29%
C.	19.00-21.50	24c.		19.50-22.00	24c.

Sheet 3.

1903.		Fr't Rate to Chicago From Group 1.	1904.		Fr't Rate to Chicago. From Group 1.
First Quarter.					
A.	$21.00-22.00	24c.	$18.00-19.25		26c.
B.	18.50-19.50 29%	24c.	17.00-17.50		26c. 34%
C.	19.50-22.00	24c.	20.00-21.00		26c.
Second Quarter.					
A.	$19.00-20.00	24c.	$17.00-18.00		26c.
B.	17.50-18.50 31.5%	24c.	16.00-16.50		26c. 36%
C.	19.50-21.00		19.50-20.50		26c.

BOUND CLOSE IN CENTER
BOOK TOO LARGE FOR FILM

Third Quarter.					
A.	$17.75-18.50	26c.	$18.00-18.50	26c.	
B.	17.00-17.50	34% 26c.	17.00-17.50	26c.	34%
C.	19.50-21.00	26c.	20.00-21.00	26c.	
Fourth Quarter.					
A.	$17.75-18.50	26c.	$18.00-18.50	26c.	
B.	17.00-17.50	34% 26c.	17.00-17.50	26c.	34%
C.	19.50-21.00	26c.	20.00-21.00	26c.	

1905.

First Quarter.					
A.	$20.00-22.00	26c.			
B.	18.50-19.50	31% 26c.			
C.	20.50-21.50	26c.			
Second Quarter.					
A.	$23.00 25.00	26c.			
B.	20.00-21.50	28% 26c.			
C.	21.00-23.50	26c.			

A.—First and second flooring.
B.—Common flooring.
C.—3" dimension and timber under 12x12-30.

\# When loaded in box cars.
x When loaded in flat cars.
Group 1. Southern Railway, Brunswick division.

The percentage figures, above, show the per cent. of freight rates as indicated in the statement to the prices of lumber as indicated in said statement.

Grade B, which is common flooring, and on which the percentages are calculated, weighs 2300 pounds per thousand feet.

Filed June 20, 1905.

CECIL MORGAN, Deputy Clerk.

MING – POSSIBLE BLURRED PAGES COPY BOUND V

613 AFFIDAVIT OF JAMES MENZIES.

In the Fifth Circuit Court of the United States for the Southern District of Georgia. E. D.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

Before the undersigned personally appeared James Menzies, who, being first duly sworn, deposes and says:

That he is general freight agent of the Atlantic Coast Line Railroad Company; that the movement of lumber from points in Georgia handled by the Atlantic Coast Line Railroad during the months named was as follows:

	To Ohio River Points and Points North.	To Chattanooga and Nashville, Tenn.
October, 1901	19,582,842 pounds	405,350 lbs.
October, 1902	27,509,250	868,610
October, 1903	16,475,910	903,320
October, 1904	7,824,500	424,600
November, 1904	10,695,700	700,900
December, 1904	12,145,700	189,500
January, 1905	19,402,600	444,400
February, 1905	19,089,100	269,700
March, 1905	23,968,700	442,800
April, 1905	20,194,000	1,491,700

That he has investigated as to the movement of lumber from the mills of the Stuart Lumber Company, located at Brinson, Georgia, a point on the Atlantic Coast Line Railroad, to the West, and finds that the movement from said mills for the months named was as follows; also showing what percentage this movement represented of the entire output of these mills:

Date.	To the West.	Percentage of Entire Output.
November, 1904	2,888,000 pounds	50%
December, 1904	2,857,000	55
January, 1905	2,310,000	65
February, 1905	2,380,000	50
March, 1905	2,676,000	50
April, 1905	1,528,000	25
May, 1905	2,497,000	50

ROCK TOO LARGE FOR FILMIN

614 Deponent says that an allowance is now made by the Atlantic Coast Line Railroad Company of five hundred pounds per car for weight of standards, strips and supports, on carload shipments of lumber loaded in open cars.

Deponent says that he is informed that the other transportation lines carrying lumber from Georgia, Alabama and Florida and some of the other Southern States have made the same allowance of 500 pounds on lumber in similar cars.

JAMES MENZIER.

Sworn to and subscribed before me this 20th day of June, 1905.

L. M. ERWIN,
Deputy Clerk.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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615 AFFIDAVIT OF O. M. GRADY.

In the Circuit Court of the United States for the Western Division of the Southwestern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

Bill for Relief and Injunction.

In person appeared before O. M. Grady, who being duly sworn, deposed as follows:

I am General Superintendent of the Georgia Southern & Florida Railway Company, and as such general superintendent am familiar with the cost of material for building depots and all other structures needed in operating the railroad, cost of material for maintenance of the roadway, and the cost of material used in building and repairing equipment.

Deponent herewith attaches, as a part of his affidavit, a statement marked Exhibit "A," showing the comparative prices paid by this company in the years 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904 and 1905 for switch ties, cross ties and bridge timber for the maintenance of the roadway, the cost of lumber for building and repairing depots and

MING – POSSIBLE BLURRED PAGES

section houses and other buildings, and the cost of lumber for building and repairing freight cars. And deponent says that said statement is correct, which he makes a part of this, his affidavit.

This company obtained lumber from August, 1903, to a very recent date, under a contract made with a leading mill in South Georgia at said time, for the space of twelve months, and at the expiration of the twelve months the contract prices were continued by mutual consent and action until a very recent date. Therefore the prices set out under the columns headed 1904 and 1905 in Exhibit "A" do not represent the full price at which lumber was selling during that time, as lumber bought by this company from said mill in the year 1905, and set out in said exhibit, was upon the basis of said contract made in 1903. The attached exhibit was
616 made up to April 4, 1905. Since the date said exhibit was made up, the lumber company with which this company had the agreement referred to gave notice that it could not furnish some of the sizes of lumber at the prices it had been furnishing during the year 1904 and up to April, 1905, giving the reason therefor that the market price of lumber had advanced "anywhere from $1.00 to $4.00 per thousand." Recently this company sent a request for bids on lumber, to be furnished this company, at several saw-mills in South Georgia, along its line of road, and one saw-mill in Florida on the line of its road. Some of the mills replied that they could not make any bid as they were full up with orders, and others again have submitted bids for different kinds of lumber and timber which this company desired to purchase.

The lowest bid offered to this company for bridge timber, merchantable quality, 8 by 16 and 26 to 30, was offered on the 31st day of March, 1905, $18.00 per thousand, and the same dimensions of bridge timber were offered to this company on June 6, 1905, at $20.00.

Car sills, merchantable, bought by this company in 1904 and 1905 were paid for at the rate of $15.00 per thousand. This company would have to pay now for standard square edge, which is a lower grade than merchantable, $16.00 per thousand up to 36 feet in length, and between 36 and 42 feet in length $17.00 per thousand.

For heart-face car decking, this company paid in the years 1904 and 1905 $12.00 per thousand, and the price quoted by the mills for the same grade of lumber runs from $14.00 to $16.00 per thousand.

For car framing, merchantable, in 1904 and 1905, this com-

UND CLOSE IN CENTER BOOK TOO LARGE FOR FILMING

pany paid $12.00 per thousand, and is now asked for a grade lower than merchantable $13.00 per thousand.

For car siding, merchantable, this company paid in 1904 and 1905, under the agreement hereinbefore referred to, made in 1903 with the lumber company in South Georgia, $15.00 per thousand, for which this company is now asked $20.00 per thousand.

For car roofing, this company has been unable to obtain a bid since February, 1905, because the mills claim that there is such a demand for it they have not been able to keep it in stock.

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The mill men have changed the grades of lumber, that which was merchantable lumber in 1883 and for several years thereafter, is now classed as "prime" lumber, and very little lumber that was prime in 1883 can be obtained now. Standard square edge, which is a grade far below merchantable and considerably below prime, is about the only timber that can now be obtained. The saw-mills will not make any bids on prime lumber under 1883 specifications. The demand for lumber appears to be very large and prices have advanced very greatly. One very large mill in South Georgia has refused to make bids on lumber, and gave as a reason, "Am crowded with sawing at present, I have nothing to offer for prompt shipment," and very recently the same lumber company answered a request from this company for a bid on lumber as follows: "Beg to advise that I am crowded with sawing for sixty days and could not furnish anything now, hence cannot make you any prices at the present." Another large mill, located on the upper edge of Florida, replied to a request for bids, "I beg to say that just at this time we are full up with all orders we can handle. Regret that we cannot quote on any of these schedules." Other lumber men have answered requests for bids on different kind of lumber, that they could not furnish lumber such as car siding and car roofing.

The foregoing letters were called out by request from this company to lumber men to bid on the different kinds of lumber that this company needs in the prosecution of its business. Another letter was received from another large mill in the southern part of Georgia, which states, "Understand that lumber has advanced considerably in the last sixty days, and roofing (which is required for building box cars) is now worth more money." This information came without solicitation for prices, but was a notification to this company that such lumber could not be furnished as far back as February 1, 1905, at prices which controlled in the year 1904.

O. M. GRADY.

ING – POSSIBLE BLURRED PAGES

Sworn to and subscribed before me this 19th day of June, A. D. 1905.

WALTER H. BEEKS,
Notary Public, Macon, Bibb Co., Ga.

Lumber controlled by contract of 1903 & '04.

Lumber controlled by contract of 1903 & '04.

EXHIBIT "A."

Comparative Statement of Prices Paid for Lumber and Cross Ties by the Georgia Southern & Florida Railway Company During the Years 1896 to 1905, Inclusive.

	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905
Switch Ties Per Set of 4095 ft. B. M.	$28.67	$30.71	$33.58	$37.88	$39.39	$35.21	$36.86	$45.05	$49.04	$49.04
Rough Lumber for Buildings (1x6x16 to 6x8x30)	7.00	7.00	7.50	8.50	9.00	9.00	10.00	11.00	12.00	12.00
Pine Bridge Timber, Sizes ranging from 7x9x9 to 8x16x27	7.37	9.50	9.50	10.00	10.25	10.50	13 00	12.50	15.00	15.00
Cypress Bridge Timber, from 7x9x9 to 12x14x14	9.50	9.50	9.50	9.50	12.50	13.50	13.50	15.00	15.00	15.00
from 10x16x13 to 10x16x26	12.50	12.50	12 50	12.50	14.00	15.00	15.00	18.00	18.00	18.00
Cypress Cross Ties	.24	.24	.25	.25	.25	.26	.27	.28	.35	.35
Pine Cross Ties	.19	.19	.19	.19	.19	.22	.24	.25	.26	.28
Car Sills (Merchantable) Dressed	7.25	7.50	9.38	12.90	13.00	11.00	14.00	12.50	15.00	15.00
Car Decking (Merchantable) D. & D.	7.00	6.75	7.50	9.50	Culls 5.00	8.75	12.00	11.75	12.00	12.00
Car Siding (Merchantable) K. D. & D.	6.50	6.75	7.50	9.50	10.00	9.12	12.00	12.50	15.00	15.00
Car Framing (Merchantable) Rough	7.42	8.00	9.00	10.00	9.33	10.50	11.00	12.50	12.00	12.00

Georgia,
Bibb County.

In person appeared before me R. D. Ivey, who being duly sworn, deposed as follows:

UND CLOSE IN CENTER BOOK TOO LARGE FOR FILMIN

I am acting purchasing agent of the Georgia Southern & Florida Railway Company, and I have been connected with the purchasing agency of said company since 1898. I am familiar with the prices paid by the company for lumber and with prices asked by saw-mill men for lumber, as I send out applications to different saw-mills for bids on lumber, and generally make contracts with lumber men for all except bridge timber, which is contracted for by the general superintendent.

I have carefully read the foregoing affidavit of O. M. Grady, general superintendent of the Georgia Southern & Florida Railway Company, and I adopt as my own the said affidavit.

This affidavit is intended to be used as evidence in the case of H. H. Tift, et al., vs. Southern Railway Company, et al., in the Circuit Court of the United States for the Southern District of Georgia.

R. D. IVEY.

Sworn to and subscribed before me this 19th day of June, A. D. 1905.

[Seal] WALTER H. BEEKS,
Notary Public Macon, Bibb County, Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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618 AFFIDAVIT OF W. A. WINBURN.

In the Circuit Court of the United States for the Western Division of the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
Southern Railway, et al.

Georgia,
Bibb County.

Before the undersigned personally appeared W. A. Winburn, who being duly sworn deposes and says that he is Second Vice-President of the Central of Georgia Railway Company.

That deponent knows of his own knowledge that the build-

MING – POSSIBLE BLURRED PAGES

ing operations in the principal cities in this country to which yellow pine lumber is shipped, are very large and great improvement is being made in these cities, and buildings of various kinds for numerous purposes erected. Deponent says that while railroad and car building orders have largely increased that building operations have continued to be large, and that the present increase in building operations throughout the territory to which yellow pine lumber is shipped is very marked.

Deponent says that there has been a general industrial reviv-[al] since the Presidential election of 1904, or about that time, and that there is no evidence over the country of the same being abated.

Deponent attaches hereto as Exhibit "A" a statement of the building operations from the Lumber Trade Journal, published at New Orleans, Louisiana, under date of May 15, 1905, on page 21 of said journal, and as Exhibit "B," page 23, of the American Lumberman, of its issue of May 13, 1905, published at Chicago, Ill., showing the official statistics of the tremendous increase of building operations, principally of apartment houses, residences and stores, in the prin-
619 cipal cities of the United States, and calls special attention to the fact that building operations in 1905 in Chicago, Cincinnati, Columbus, Ohio; Evansville, Indinana; Grand Rapids, Michigan; Detroit, Michigan; Louisville, Ky. Nashville, Tennessee; Pittsburg, Pa.; Terra Haute, Ind, and other cities of the Western territory, showing large increase.

Deponent says that these two papers are accepted throughout the country as reputable representative lumber trade journals.

W. A. WIMBURN.

Sworn to and subscribed before me, this June 22, 1905,
WM. E. MARTIN, JR.,
Notary Public, Bibb Co., Ga.

(Indorsement:) No. 574. U. S. Circuit Court, Western Division, Southern District of Georgia. H. H. Tift, et al., vs. Southern R'y Co., et al. Affidavit W. A. Wimburn, as to state of markets. Filed June 22, 1905. Cecil Morgan, Deputy Clerk.

EXHIBIT A.

April Building Operations.

Building operations throughout the entire country have been very satisfactory so far and no doubt will continue in the same strain through to the end of 1905. Although it will require an immense amount of building construction to pass the record of 1894, the prospects are that this will be done in the present year. The following table of building statistics from a number of representative cities compiled by "The American Contractor," Chicago, from official reports, show considerable activity, although in some cases a slight falling off, which is, very likely, a temporary setback. Quite a number of cities which had heretofore been classified otherwise passed the million-dollar line last month, among these are Cincinnati, Detroit, Milwaukee and Minneapolis, with Rochester and Kansas City, Mo., a close second.

City.	April, 1905, cost.	April, 1904, cost.	Per Cent Gain.	Per Cent Loss.
Atlanta, Ga.	255,129	243,068	5	....
Allegheny, Pa.	128,575	193,575	....	34
Buffalo, N. Y.	662,456	782,789	....	15
Canton, Ohio	56,875	48,590	17	....
Cambridge, Mass.	255,250	237,000	8	....
Chicago	7,298,200	4,287,250	70	....
Cincinnati, Ohio	1,004,285	689,310	46	....
Columbus, Ohio	689,730	427,050	62	....
Davenport, Iowa	138,080	55,360	150	....
Dallas, Texas	171,991	149,052	16	....
Denver, Colo.	560,050	362,125	55	....
Des Moines, Ia.	122,491	105,300	16	....
Detroit, Mich.	1,007,600	690,600	46	....
Duluth, Minn.	117,253	103,710	13	....
Evansville, Ind.	76,587	36,370	111	....
Grand Rapids, Mich.	360,872	144,895	150	....
Harrisburg, Pa.	191,840	189,520	1	....
Hartford, Conn.	358,073	255,110	40	....
Indianapolis, Ind.	553,628	388,081	43	....
Kansas City, Kan.	110,000	85,200	29	....
Kansas City, Mo.	992,865	814,150	22	....
Knoxville, Tenn.	105,790	113,980	....	7
Louisville, Ky.	517,868	253,188	105	....

Lowell, Mass.	54,400	56,950	....	4
Manchester, N. H.	53,105	63,772	....	17
Milwaukee, Wis.	1,011,467	1,385,833	....	27
Minneapolis, Minn. . . .	1,572,625	898,005	75	....
Nashville, Tenn.	194,136	124,192	56	....
New Haven, Conn.	155,205	237,288	....	34
Newark, N. J.	824,935	1,429,674	....	42
New Orleans, La.	239,055	234,569	....	....
New York				
Manhattan	11,667,507	8,698,030	34	....
Alterations	1,437,942	828,280	....	....
Brooklyn	6,260,695	6,368,021	....	2
Bronx	3,601,935	2,076,465	73	....
Alterations	81,370	87,950	....	....
Omaha	314,235	151,170	108	....
Peoria, Ill.	223,983	136,320	64	....
Philadelphia, Pa.	3,310,740	3,486,695	....	5
Patterson, N. J.	128,669	99,401	29	....
Pittsburg, Pa.	2,192,793	1,573,715	39	....
Rochester, N. Y.	942,662	764,112	23	....
St. Joseph, Mo.	97,630	78,012	25	....
St. Paul, Minn.	642,940	441,080	46	....
San Antonio, Tex. . . .	37,535	7,255	417	....
Scranton, Pa.	174,575	67,501	159	....
South Bend, Ind.	191,285	98,690	94	....
Spokane	767,265	404,515	....	47
Topeka, Kans.	116,750	60,278	94	....
Toledo, Ohio	306,902	201,203	52	....
Terre Haute, Ind. . . .	121,181	64,095	89	....
Washington	2,147,870	874,854	145	....
Worcester, Mass.	306,816	247,665	24	....
Winnipeg, Man.	1,636,500	1,191,850	37	....

EXHIBIT B.

Increase in Building Not Confined to the Large Cities.

Were it possible to assemble figures showing a complete record of building operations throughout the country for April, including not merely the large cities of the central and eastern States, but those of the west, and, in addition, the smaller towns and villages where building is being carried on at a corresponding rate of increase over past years' oper-

Y BOUND CLOSE IN CENTER BOOK TOO LARGE FOR FILMIN

ations, the commercial activity of the country would be clearly outlined. The editor of the American Lumberman has just returned from a trip through eight states of the northwest. At none of the towns where stops were made was building dormant and from the appearance of the towns and cities passed through on this trip and from talks with those living in other than the sections visited it was demonstrated that at the present time in the northwest are under way buildings and repairs to an extent never before equaled in that rapidly developing country. During a drive through Boise, Ida., with local representatives 300 new dwellings and stores were pointed out to the visitors. It is doubtful if a record proportionately as favorable could be shown by any of the great commercial centers of the east or west than was evidenced in this locality in Idaho.

It then must be admitted that the large cities by no means have a monopoly on building activity. It is doubtful if, all things considered, they are representative of the vast increase in building that is now going on throughout the Country. From all localities from which reports are supplied the American Lumberman, from the numerous letters which retail lumber dealers in various states send in, from the general feeling of assured prosperity so much in evidence at this time, is gained a knowledge which shows beyond question that the business men of the country to-day are participating in one of the most general eras of prosperity which the country has ever witnessed.

This period of industiral activity has developed without ostentation and has progressed so quietly that its true significance has in some cases been overlooked. It is not an instance where by manipulation or as a result of overconfidence, of superheated enthusiasm, the industrial chariot was urged along at a pace which it was unable to maintain and which resulted in a smashup, but the gradual, steady and wise improvement of opportunities as they were presented and the steady and discriminative employment of the elements which constitute commercial success.

Were it necessary to supply other evidence of the present industrial situation the excellent reports of conditions obtaining among the various manufacturing interests of the country could be employed: they would convince even the most skeptical. Considering the question from the standpoint of the lumber manufacturer and consumer, one of the most interesting phases presented is the heavy call for lumber from all states

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and all the consuming centers. Some consumers are with difficulty securing the kind and quantity of lumber they require in their work and from advices received from the manufacturing districts as a whole the outlook for better supplies and more satisfactory assortments is not encouraging. The lumber movement at this time is very heavy, though it undoubtedly would be increased greatly were it possible for producers to furnish promptly all stocks for which orders are placed.

Permits issued for new buildings and alterations in the larger cities are an index to the work being carried on there. In some instances, it is true, permits are not used and the buildings or improvements authorized may be postponed or abandoned. The large as well as the small towns, however, are dotted with new buildings or various characters in all stages of erection, the ground being broken for the foundations in some instances and the finishing touches being put on the work in others. In all parts of Chicago, a tremendous amount of new apartment houses, residences and stores is being put up, showing that in this city at least the permits are a true index to the amount of building being done. As may be seen from the statement given, the estimated cost of structures for which permits were issued in April of this year reached a total of $7,298,200, as against $4,278,250 in April, 1904, an increase of 70 per cent. New York shows a gain of 34 per cent, the total value in April this year being $11,667,507, as against $8,698,030 in 1904.

In the compilation given here, prepared by the American Contractor, Chicago, is shown the estimated cost of buildings for which permits were issued in fifty of the principal cities of the country, though a number of the representative cities of the Pacific coast are not included. According to this list the greatest percentage of this increase was in San Antonio, Tex., which showed a gain of 417 per cent. Scranton, Pa., is second, the percentage of gain being 159; Davenport, Iowa, and Grand Rapids, Mich., are credited with an increase of 150 per cent. Washington shows a gain of 145 per cent. Other cities where the increase was in excess of 100 per cent. were Evansville, Ind.; Louisville, Ky., and Omaha, Neb. Spokane, Wash., reports a loss of 47 per cent, the heaviest recorded; Newark, N. J., shows a decrease in the amount of building of 42 per cent, and New Haven, Conn., and Allegheny, Pa., a decrease of 34 per cent. Milwaukee permits were in cost 27 per cent. below the value of those issued in April, 1904.

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An increase of 30 per cent. is shown in the grand total of the building permits issued in fifty cities. This in brief signifies that building this year is being carried on at an increase of one-third over last year's operations. Detailed figures for fifty cities are given:

City.	cost. April, 1905,	April, 1904,	Per Cent Gain.
Atlanta, Ga.	$ 255,129	$ 243,068	5
Allegheny, Pa.	128,575	193,575	*34
Buffalo, N. Y.	662,456	782,789	*15
Canton, Ohio	56,875	48,590	17
Cambridge, Mass. . . .	255,250	237,000	8
Chicago	7,298,200	4,287,250	70
Cincinnati, Ohio	1,004,285	689,310	46
Columbus, Ohio	689,730	427,050	62
Davenport, Iowa	138,080	55,360	150
Dallas, Texas	171,991	149,052	16
Denver, Colo.	560,050	362,125	55
Des Moines, Ia.	122,491	105,300	16
Detroit, Mich.	1,007,600	690,600	46
Duluth, Minn.	117,253	103,710	13
Evansville, Ind.	76,587	36,370	111
Grand Rapids, Mich. . . .	360,872	144,895	150
Harrisburg, Pa.	191,840	189,520	1
Hartford, Conn.	358,073	255,110	40
Indianapolis, Ind. . . .	553,628	388,081	43
Kansas City, Kan. . . .	110,000	85,200	29
Kansas City, Mo.	992,865	814,150	22
Knoxville, Tenn.	105,790	113,980	*7
Louisville, Ky.	517,868	253,188	105
Lowell, Mass.	54,460	56,950	*4
Manchester, N. H. . . .	53,105	63,772	*17
Milwaukee, Wis.	1,011,467	1,385,833	*27
Minneapolis, Minn. . . .	1,572,625	898,005	75
Nashville, Tenn.	194,136	124,192	56
New Haven, Conn.	155,205	237,288	*34
Newark, N. J.	824,935	1,429,674	*42
New Orleans, La.	239,055	234,569	....
New York—Manhattan	11,667,507	8,698,030	34
Alterations	1,437,942	828,280	....
Brooklyn	6,260,695	6,368,021	*2
Bronx.	3,601,935	2,076,465	73
Alterations	81,370	87,950	....

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Omaha	314,235	151,170	108
Peoria, Ill.	223,983	136,320	64
Philadelphia, Pa.	3,310,740	3,486,695	*5
Paterson, N. J.	128,669	99,401	29
Pittsburg, Pa.	2,192,793	1,573,715	39
Rochester, N. Y.	942,662	764,112	23
St. Joseph, Mo.	97,630	78,012	25
St. Paul, Minn.	642,940	441,080	46
San Antonio, Tex.	37,535	7,255	417
Scranton, Pa.	174,575	67,501	159
South Bend, Ind.	191,285	98,690	94
Spokane	767,265	404,515	*47
Topeka, Kans.	116,750	60,278	94
Toledo, Ohio	306,902	201,203	52
Terre Haute, Ind.	121,181	64,095	89
Washington	2,147,870	874,854	145
Worcester, Mass.	306,816	247,665	24
Winnipeg, Man.	1,636,500	1,191,850	37
Totals	$56,630,006	$43,402,734	

* Per cent. loss.

620 AFFIDAVIT OF ROY C. FOSTER.

In the Circuit Court of the United States for the Western Division Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

Georgia,
Bibb County.

Before the undersigned personally appeared Roy C. Foster, who being duly sworn deposes and says that he is engaged in the iron and steel brokerage business in Philadelphia, Pennsylvania.

That in the latter part of 1900, affiant was elected president and general manager of the Georgia Car & Manufacturing Company at Savannah, Georgia, that for many years previous to that time affiant was secretary of the American Steel Casting Company of Chester, Pa. That affiants business relations

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for many years has familiarized him with the business of the various railroad, steel and iron and car building industries throughout this country east of the Mississippi river.

The business of the Georgia Car and Manufacturing Company was the building of freight cars, the said company soliciting business from railroads throughout the United States and in Mexico and abroad.

Previous to 1898, the railroads had been ordering very few freight cars but business conditions in that respect commenced to improve in 1898, and in 1899, and by 1901, the business had reached great activity, the railroads were ordering cars in large numbers, and the prices obtained for cars afforded a large profit to the car building plants.

621 Affiant's company, the Georgia Car Manufacturing Company, through the efforts of affiant, was enabled to obtain in 1901 and 1902 at good prices a great deal more business than it could possibly turn out. Affiant solicited by railroad officials to take on orders and the demand for cars was so great by the railroads that it was not a price for the cars but was purely a question of delivery by the car plants.

Affiant's business kept him in touch with the other plants in the business throughout the West and the East and the same conditions prevailed over the country. Lumber prices responded very rapidly to the demand for cars, and affiant although located at Savannah, a great port for lumber, had difficulty in obtaining lumber for building cars on account of the great demand for the same at high prices by the Western car builders. Orders for over 160,000 cars were placed in 1902, in addition to the orders already booked, and owing to the crowded condition of the car building plants, these orders were necessarily carried over into the early part of 1903.

In the first few months of 1903, business conditions indicated that the orders for cars would keep up although very few orders were actually placed, but in May and June all negotiations for cars were suddenly stopped, and orders for cars ceased as suddenly as if there had been a panic, bids that had been asked were withdrawn, and orders placed were suspended.

Affiant traveled all through the East and Western section of the United States north of the Ohio river, and through Mexico in search of new business, but found and was told by the railroad officials that the unexpected depression of the money market had put an end to the orders of the road for cars. Railroad officials told him that they were ordered to retrench

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in every way not only in the building of cars, but in the purchase of other supplies and materials for the roads. Affiant says that these conditions continued through 1903,
622 and that from affiant's best information affiant is informed that there were only about 74,000 new freight cars ordered throughout the United States after this period of depression had commenced during that year, although a considerable number of cars in excess of that amount were actually built to complete orders brought over from 1902.

Affiant says that it was his business to watch every bid for cars asked throughout the United States and Mexico and that he did so and was absolutely unable to obtain any orders for cars at any price in 1903, after the 1st of July.

Affiant says that at Savannah, where his plant was located, that there was no increase on freight rate on lumber, but that irrespective of that the price of lumber would have had nothing to do with making sales of cars.

Affiant was informed by the managers of other car plants north of the Ohio river that they had been forced to shut down their works for lack of orders and that where car building companies owned a number of plants at different points, that they were only keeping going a few of their plants and transferring the best men to those points to try to keep the working force together and the organization in shape.

It was a matter of press comment during this time that at one of the plants of the American Car & Foundry that the employees accepted a 10 per cent reduction in wages to enable the company to make a low bid for a certain offered order, the company agreeing to build the cars practically on a cost basis. Certain styles of standard box cars that in 1902 would have readily brought $750 were contracted for during this period of depression at $600 and less, and flat cars that in 1902 were readily contracted for at $625, during the period of this depression were contracted for at $500 and less.

Affiant says that the Georgia Car & Manufactur-
623 ing Company being able to obtain no orders and thinking that the depression was only temporary built during the fall of 1903, after the most improved models and latest designs a number of box cars, flat cars and coal cars, for the sole purpose of maintaining its organization and keeping its labor together. These cars were offered to the railroads throughout the country for quick delivery and at a greatly reduced price, but affiant was unable to dispose of the

cars, and conditions growing worse, this company, though otherwise solvent was forced into bankruptcy.

Affiant says that during that period that square edge and sound lumber suitable for car building purposes was offered to him in large quantities at greatly reduced prices, but that affiant's plant was in the same condition as the other car building plants throughout the country, with no orders on hand.

Affiant says that it is the custom among the car building plants than [that] when an offer to build cars is submitted, that prices on the necessary lumber is obtained from the saw mills, and options generally taken for this lumber good for a certain number of days and that as soon as the orders are placed by the railroads, that the entire amount of lumber necessary to build the cars is at once ordered. Affiant says that this could not have been done otherwise without great loss to the car building plants for the reason that lumber steadily advanced in price during 1901 and 1902, and up to the period in 1903, when car orders suddenly ceased.

Affiant says that the demand for lumber during this period of depression could not have been effective to any extent by any increase in the freight on lumber, but that the demand was seriously affected and almost entirely stopped for a period, as there was no need for the lumber.

Affiant says that yellow pine lumber is specified by practically all the railroad companies operating in the South and East and Middle West, and that no other pine comes
624 in competition with it. For car decking and car sills no substitution is generally allowed in any other woods, yellow pine being almost invariably specified for the cars built in the past few years. This is true of cars built by car building plants along the great lakes where they have access to such other woods as are offered in competition with yellow pine.

Affiant says that right after the national election, in 1904, business commenced picking up rapidly and from that time until the 1st of January, 1905, that approximately 70,000 cars were ordered by the railroads, more than had been built throughout the entire year of depression, and that from January 1, 1905, up to this time orders have been rapidly increasing and it is reported, and affiant is informed by people in the trade, that the carbuilding plants have orders on hand to keep them busy until late in the fall of this year.

Affiant has recently visited many points throughout the yellow pine belt of the South, and is informed that yellow pine lumber suitable for car building has in the last few months

increased very materially in price and is going forward to the car building plants in large quantities, and that the demand is greater at the present time than the supply.

ROY C. FOSTER.

Sworn to and subscribed before me, this May 22, 1905.

WM. E. MARTIN, JR.,
Notary Public, Bibb Co., Ga.

(Indorsement:) No. 514. U. S. Circuit Court. Western Division, Southern District of Georgia. H. H. Tift, et al., vs. Southern Ry., et al. Affidavit of R. C. Foster. Filed June 20, 1905. Cecil Morgan, Deputy Clerk.

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625 AFFIDAVIT OF CLAYTON B. DEMMING.

In the Circuit Court of the United States for the Western Division of the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway, et al.

Georgia,
Chatham County.

Before the undersigned personally appeared Clayton B. Demming who being duly sworn deposes and says that deponent has had much experience with the building and sale of railroad cars and has a practical knowledge of the building of the same, and the equipments and parts required for the building of both flat cars and is familiar with the kind of both box and flat cars generally ordered and built by the railroad companies throughout the Southern States.

Deponent says that the flat cars owned and operated by the roads handling the pine lumber traffic from Georgia and the Southern States could be built into box cars but the result of such a change would not warrant the expense of making the change. The cost of the converted car would be so nearly the cost of an entirely new box car of the same capacity that the change would not be warranted. Deponent says that in the rebuilding of a flat car into a box car that about all that could be used of the old car would be the trucks. To equip a car with new trucks would cost about $140.00 at present prices. The sills and forgings of the flat car could not be re-

worked to suit a box car and would have no value except as scrap. The springs, arch bars, and other iron work of the flat car would have their usefulness so lessened by the uses of the flat car that they would not bear the rated capacity and make a safe, well-running box car.

Deponent says that the railroads are adopting year by year a more standard and uniform class of box cars so as to enable repairs to be made more easily on cars when in the
626 shops of other railroads, and deponent says that flat cars could not be in many instances rebuilt at all according to the existing standard of box cars. Deponent says that the railroads have not for some years been ordering box cars of less capacity than 60,000 pounds, and that flat cars of 40,000 capacity cannot be rebuilt into a box car having 60,000 capacity. That a 60,000 pound box car could not be safely rebuilt on a trucks taken from a 40,000 pound flat car.

Deponent says that second hand flat cars bring a very small price and can only be sold in very small lots principally for the reason that practically each railroad has its own specification for cars, and uses different makes and different kinds of equipment for cars and that the larger roads will not buy any car not made according to its own standard, as it is very expensive to make repairs and replace parts. Railroads that have adopted the uniform standards would not purchase or buy at any price second hand cars that were not built according to the uniform standard.

Deponent says that from the records kept by him and from the information gained from the Railway Age, one of the leading newspapers concerning the railroad business and operation, and from other railroads and car trading journals, he finds that approximaetly 195,000 of new cars were ordered by the railroads in 1902, of which approximately 164,000 were new freight cars. In 1903, approximately 74,000 standard freight care were ordered. In 1904, from the 1st of January until the 1st of October, 59,500 freight cars were ordered. From October 1st, 1904, to January 1st, 1905, approximately 77,000 freight cars were ordered, and from January 1st, 1905, to date approximately 93,000 freight cars were ordered.

Deponent says that from the 1st of October, 1904,
627 to date approximately 40,000 more freight cars were ordered than for the year 1903, and for the year 1904, until the 1st day of October, 1904.

Deponent says that a standard 60,000 box car contains about 6000 feet of lumber.

C. B. DEMMING.

Sworn to and subscribed before me, this June 11th, 1905.
H. C. ANDERSON,
Notary Public, Chatham Co., Ga.

(Indorsement:) No. 514. U. S. Circuit Court, Western Division, Southern District of Georgia. H. H. Tift, et al., vs. Southern Railway Company, et al. Affidavit C. B. Demming. Filed June 20th, 1905. Cecil Morgan, Deputy Clerk.

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628 AFFIDAVIT OF WALTER C. ARTHURS.

In the Circuit Court of the United States, Western Division, Southern District of Georgia.

H. H. Tift, et al., Plaintiffs,
vs. In Equity.
Southern Railway Company, et al., Defendant.

State of Illinois,
Jefferson County, ss.

Personally appeared before me Walter C. Arthurs, who being duly sworn deposes and says: That he has been engaged in the car manufacturing business since 1887, and since 1890 has been secretary and treasurer, receiver, and vice president and treasurer of the Mt. Vernon Car Manufacturing Company at Mount Vernon, Illinois, being continuously in the management of the business during that time, and in that capacity is familiar with the business done by his company and also the general business in the car manufacturing business throughout the country.

Affiant further states that in the contracting for and building of freight cars, the price of yellow pine lumber and freight on same, does not to any noticeable extent regulate the placing of the contracts or change the price thereon. The items of yellow pine lumber alone are such a small part of the entire finished car that it would hardly cause the railroad company to consider the difference in placing contracts whether the price was a few dollars higher or lower.

Affiant further states that he considers the present freight rates on yellow pine lumber fair and in proportion to the rates now in force on other commodities used in building freight
629 cars and any change that may have been made in the freight last year on yellow pine lumber, would not in his judgment, have had anything to do with the placing of car contracts.

Affiant further states that from about January, 1903, to October, 1904, there was a depression in the car building business, and while the Mount Vernon Car Manufacturing Company, being a small plant as compared with some of the other cars works, was able to run through the year almost continuously, while some of their competitors were closed for lack of orders. This lack of orders, however, was due to the money market conditions and not to the price of yellow pine lumber or the small increase on freight rates on same.

Affiant further states that during this period of depression, while the works of the Mount Vernon Car Manfacturing Company were running almost continuously, they bought no lumber ahead for general stock, buying only such lumber as was required for the contracts on hand. This naturally made their lumber purchases less during that time than they are now although the freight rate had nothing to do with it. The Mount Vernon Car Manufacturing Company did not buy any extra lumber for fear they would not have contracts on which to use it.

Affiant further states that the quantity of yellow pine lumber used on ordinary wooden freight cars runs from 2500 feet to 6000 feet per car, and that the average weight of this lumber, considering what is bought kiln dried and dressed and what is shipped dressed green, would probably average, taking all classes of cars, about 10,000 pounds to 12,000 pounds per car, so that the increase in freight rates last year of two cents per hundred pounds, would be a very small matter on the total cost of the cars and affiant does not think would have any effect upon the railroads in placing contracts for cars if they needed them.

630 Affiant further states that it has been his experience that railroads buy more freight cars when prices of all kinds of commodities are higher, including freight rates than when prices and freight rates are lower. The general conditions in car building industries are better and profits are larger when all prices, including freight rates, are higher.

Affiant further states that more yellow pine lumber is being used in the construction of cars by the Mount Vernon Car Manufacturing Company than any other kind of lumber. It has gradually displaced oak lumber and almost entirely displaced white pine and Norway pine from the North.

Affiant further states that the competition of Canadian and foreign lumber does not affect the price of yellow pine lumber with this company at all, for the Mount Vernon Car Manufacturing Company recently built one thousand box cars for

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the Grand Trunk Railway system, which operates largely in Canada, and had the specifications changed from Oregon fir siding to yellow pine siding.

Affiant further states from his own knowledge that the Grand Trunk Railway System is now buying yellow pine lumber in Mississippi and shipping it to Montreal, Canada, for use at their own works in building and repairing freight cars. So he does not think that foreign lumber is in any way effecting the price of yellow pine lumber.

Affiant further states that at this time the Mount Vernon Car Manufacturing Company are running to full capacity and have contracted ahead for cars to be delivered, that will fill their capacity until February, 1906, and that they are buying more yellow pine lumber than ever before in their history and that they are paying higher prices for yellow pine lumber now than they have ever paid for it before.

Affiant further states that he has personally been over a large part of the South, visiting the various saw-
631 mills and finding them all filled up with orders to their full capacity and other new plants being erected.

WALTER C. ARTHURS.

Subscribed and sworn to before me this 17th day of June, 1905.

My term of office expires on the 25th day of October, 1908.

[Seal] OWEN HARVEY,
Notary Public.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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632 AFFIDAVIT OF JOHN M. CUTLER.

In the Circuit Court of the United States for the Western Division, Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

Before me the undersigned personally appeared John M. Cutler, who being duly sworn deposes and says he is General

Freight Agent of the Georgia Southern & Florida Railway Company and has general charge of the freight traffic of said road.

Deponent says that the total movement of yellow pine lumber originating at points on the Georgia Southern & Florida Railway and received from connections of the Georgia Southern and Florida Railway at junction points south of Macon has steadily and greatly decreased; for the reason that the timber adjacent to the line of the Georgia Southern & Florida Ry. has been cut away, and for the reason that short roads connecting with the Georgia Southern & Florida Railway which were formerly valuable feeders to that line with respect to lumber shipments, have been consolidated with other short roads and a trunk line of railroad thus formed with connections other than the Georgia Southern & Florida Railway, and it has become to the advantage of these consolidated roads to forward lumber via other routes. Nevertheless, the percentage of yellow pine lumber from and via the Georgia Southern & Florida Railway to points on and north of the Ohio river to points in Tennessee and Kentucky affected by the advance in rates of two cents per hundred pounds of June 22nd, 1903, is greater as compared to the decreased total movement from and via the Georgia Southern & Florida Railway than it was during the same period of 1904, as shown by the
633 following:

	1904.		1905.	
	Cars.	Tons.	Cars.	Tons.
April	2012	38205	1597	30319
May	1711	32500	1532	29104

The lumber movement to Ohio river points and beyond and Tennessee and Kentucky points affected by the increase of rates shows,

	1904.		1905.	
	Cars.	Tons.	Cars.	Tons.
April	361	6854	354	6723
May	314	5971	297	5645

Deponent says further that with a decreased total movement of yellow pine lumber via the Georgia Southern & Florida Railway for the months of April and May, 1905, the percentage of said movement to points on and north of the

Ohio river and to points in Tennessee and Kentucky to which the rates were advanced in June, 1903, shows an increase; in evidence of which deponent states that in April and May, 1904, the Georgia Southern and Florida Railway, defendant, handled 70705 tons of yellow pine lumber to all points—of which 12825 tons was destined to the territory to which the rates were advanced in June, 1903, and deponent says that this movement constituted 17 per cent of the total movement to all destinations.

Deponent says further that during the months of April and May, 1905, the Georgia Southern & Florida Railway Company handled 59423 tons of yellow pine lumber to all points of destination, and of this movement 12368 tons were shipped to points to which the rates were advanced two cents per hundred pounds in June, 1903, and deponent says that this tonnage represented 21 per cent of the total tonnage, or an increase of 4 per cent as compared with the movement for the months of April and May, 1904.

Deponent says that while the total movement of yellow pine lumber via the Georgia Southern & Florida Railway to all points for the months of April and May, 1905, as compared with the corresponding months of previous year decreased 17 per cent, the movement to points on and north of
634 the Ohio river and to points in Tennessee and Kentucky affected by the advanced rate decreased 3.6 per cent.

Deponent says that the shipments of lumber by J. S. Betts and Company from Ashburn, Georgia, to Western territory in March, April and May, 1902, amounted to 84 cars, and for the same months of 1903 to 50 cars, while for the months of March, April and May, 1905, shipments from this firm to the West amounted to 116 cars. Deponent says that the movement of lumber to the West from the mill of Massee and Felton Lumber Company, at Massee, Georgia, via Sparks and the line of the Georgia Southern & Florida Railway during the months of April and May, 1903, amounted to 45 cars; that for the same months 1905 said movement amounted to 54 cars, and deponent says that the increased shipments to the West by J. S. Betts & Company, Ashburn, Georgia, and by the Massee and Felton Lumber Company, Massee, Georgia, confirms deponent's statement that the movement to the West since the advance in rates, has increased and deponent says that said increased movement is fairly illustrative of the movement of shipments of lumber to the West by firms using the Georgia Southern & Florida Railway in the shipment of pine lumber to the territory affected by the advance in rates.

Deponent says that the above figures are compiled under direction of deponent from many books and papers kept in the course of business by the Georgia Southern & Florida Railway Company, and are facts stated as the result of voluminous facts so consolidated.

Deponent says that he has caused a careful investigation to be made within the past two weeks of the output of the mills along the line of the Georgia Southern & Florida Railway to ascertain the proportion of said output now being shipped to Western terriory affected by said increase of rates, and the result of said investigation shows that the output of the said mills having an output of 10,000 feet or
635 over per day, 26-5/11 per cent is shipped to said territory—shipments of lumber to the West from mills with a capacity of less than ten thousand feet are small.

Deponent says that the decrease in the movement of lumber originating at points on the Georgia Southern & Florida Railway, and received from its connections by reason of the cutting out of the timber supply and the changes in the railroad situation as above stated, is fairly illustrative by the following comparative statement of the total movement of lumber via the Georgia Southern & Florida Railway:

Fiscal Year.	Tons.
July 1st, 1902, to July 1st, 1903	508,556
July 1st, 1903, to July 1st, 1904	435,304
Decrease	73,252

	Tons.
July 1st, 1904, to May 1st, 1905	286,280
Estimated to July 1st, 1905	343,104
Decrease over 1902 to 1903	165,452
Decrease over 1904 to 1905	72,200
May and April, 1903	88,461
May and April, 1904	70,705
Decrease	17,756
May and April, 1905	59,423
Decrease compared to 1904	11,382
Increase in proportion of Western shipments, 1905 over 1904	4 per cent

J. M. CUTLER.

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Sworn to and subscribed before me this 20th day of June, 1905.

R. D. FEAGIN,
Notary Public Bibb Co., Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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636 AFFIDAVITT OF WALTER J. McBRIDE.

In the Circuit Court of the United States, Western Division, Southern District of Georgia.

H. H. Tift, et al., Plaintiffs,
vs. In Equity.
Southern Railway Company, et al., Defendant.

State of Missouri,
City of St. Louis, ss.

Walter J. McBride, of lawful age, being first duly sworn, deposes and says: That he has been engaged in the car manufacturing business since 1885 and that he is now and has been since 1899 the general manager of the American Car & Foundry Company, and in that capacity is conversant with the business done by his company, and also with the general conditions in that branch of business throughout the United States and foreign countries.

Affiant further says that he considers the prevailing freight rates on yellow pine lumber as equitable in proportion to the rates prevailing on other commodities, taking into account in all cases, the conditions and considerations that have influence in the making of rates.

Affiant further says that in the car building business the consumption of yellow pine is not regulated to any appreciable extent by the price thereof, nor by the freight rates thereon, these items being of so little effect in the price of the finished car that a railroad company actually intending to purchase cars would not be deterred by a few dollars advance on account of yellow pine; or if a railroad company were disinclined to purchase, would it be pursuaded to do so
637 by the saving of a few dollars per car due to the decline in the price or in the freight rates on yellow pine.

Affiant further states that purchases of cars by railroad companies are governed almost wholly by the prosperity of said companies, and that they are more ready to buy cars at a high price in good times and when enjoying satisfactory earnings, than to purchase cars at cost or less when general business is dull and when their own earnings are unsatisfactory. That some roads with abundant capital will occasionally purchase cars in times of depression on account of the low price obtainable, but such transactions are exceptions.

Affiant further states that from about January, 1903, to October, 1904, the depression in the car building business was serious and extended, and that in the latter part of 1903 a number of the plants of the American Car & Foundry Company were shut down, and continued closed during part of 1904. That this shut down or closing of the plants was due to the lack of orders, which was due to the general depression extending throughout the country, and that on account of the lack of orders for cars, their orders for yellow pine lumber and other lumber fell far below the orders placed at times when their plants are running full force and time. In fact they placed comparatively very few orders for lumber during this period of depression.

Affiant further states that the quantity of yellow pine lumber in an ordinary car ranges from about one thousand feet per car for a steel under-frame flat car, to about six thousand feet per car for an all-wood ventitlated, insulated box car, and that a fair average for the various classes of cars would be three thousand feet per car, and that the average weight of this lumber—both what is shipped from the mills, and what is shipped dressed—would be about nine thousand pounds per car, and that on this basis any possible fluctuation in the price of the lumber or in the freight rates would not be sufficient to materially influence a railroad company in reaching a decision as to whether it should or should not purchase cars.

638

Affiant further says that yellow pine lumber has been extended in use for many years in car construction to the displacement of other lumber, and its extension has not been checked by any fluctuation in the price of the lumber nor in freight rates, nor through competition of other kinds of pine lumber nor through importations. That where lumber is brought from the Northwest it is on account of special conditions as when the owners of refrigerator cars feel obliged to use Oregon fir or similar lumber on account of its being lighter than yellow pine which latter would bring the dead

weight of a heavy car beyond the permissible limits, or as when some of the Northern roads still adhere to the use of white Norway pine, partly on account of its lightness and partly on account of the better appearance when finished, and partly because that standard as established many years ago, and they are disinclined to change their standard, or as when some of the Northwestern roads will specify lumber obtainable only in the far Northwest on account of the profit in hauling said lumber eastward, which profit, they figure, offsets the higher cost of the cars.

Affiant further says that, except as above set out, that is on account of special conditions, yellow pine is generally specified by the different roads in car construction, and the use of yellow pine in car construction is growing from year to year, and has not been checked, to any appreciable extent, by fluctuations in the price of the lumber, nor freight rates, nor the use of other pine lumber, nor through importations. The Southern roads, particularly, specify, when ordering cars, that yellow pine shall be used, and while, as above said, speaking generally, the roads specify for the use of yellow pine in car construction, the Southern roads particularly specify that yellow pine shall be used in cars ordered for their lines.

639 Affiant further says that in the car building business the question of imported lumber has not been a serious consideration, and that although the American Car & Foundry Company has a large car building plant, adjacent to Canada in Detroit, and other large plants in Chicago and Buffalo, and at other places which are nearer Canada than the yellow pine districts, yet nevertheless the supplies from Canada have never been obtainable at a price to successfully compete with the cost of lumber produced in the South.

Affiant further says that there was a term of serious depression in the car building business during the years 1903 and 1904, and that this depression was due wholly to the fact that the railroad companies considered that they were not warranted in making large expenditures for new equipment, and that neither the price of yellow pine nor the freight rates thereon had anything to do with the consumption of said lumber so far as the car building business was concerned, and that as evidence of the correctness of this affirmation, although the price for yellow pine lumber never was much higher than at present, yet the American Car & Foundry Company have orders for cars, on which they have yet to deliver over forty thousand, an equivalent of nearly six months' work for all of its shops.

BOOK TOO LARGE FOR FILMI

Affiant further states that at the present time the American Car & Foundry Company is running full force and time and has contracted for cars yet to be delivered which will take nearly six months to fill, but that during the period above mentioned, viz, from January, 1903, to October, 1904, many of their plants were running with greatly decreased forces by reason of orders for cars being comparatively few.

Affiant further states that the American Car & Foundry Company has many orders contracting for large shipments of lumber from the different Southern mills.

Affiant further says that the price of yellow pine lumber suitable for car building has, in the last few months,
640 increased materially in price, and that the prices for yellow pine lumber never were higher than they are at the present time.

And further affiant saith not.

W. J. McBRIDE.

Subscribed and sworn to before me this 14th day of June, 1905.

My term of office expires on the 22nd day of July, 1908.

[Seal] HELEN G. CAMPBELL,
Notary Public, City of St. Louis, State of Missouri.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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641 AFFIDAVIT OF W. L. GLESSNER.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

Bill for Relief and Injunction.

Georgia,
Bibb County.

In person appeared before me W. L. Glessner, Commissioner of Immigration for the Georgia Southern & Florida

ING – POSSIBLE BLURRED PAGES

Railway Company, who being duly sworn, deposed as follows:

I am Commissioner of Immigration for the Georgia Southern & Florida Railway Company, and as such it is my duty to become well acquainted with the country along the line of the Georgia Southern & Florida Railway, as well as the different industries. I know all the saw-mills along the line of said road at this time, and have been familiar with them for several years past.

Since July 1, 1901, and up to the first of June, 1905, there were fifty-six saw-mills that went out of business along the line of the Georgia Southern & Florida Railway. All of said mills went out of business for lack of timber, except two that were burned and are now being rebuilt. The two mills had a daily average output at the time they were burned, the one of twenty-five thousand feet and the other of seventy-five thousand feet of lumber, making a total of one hundred thousand feet per day. The smaller mill is not reached by any railroad except the Georgia Southern & Florida, while the larger mill is reached by the Georgia Southern & Florida and another road. This leaves fifty-four mills that have entirely gone out of business on account of the scarcity of timber, whose daily average output aggregated seven hundred forty-six thousand feet of lumber.

642 There is now located on the line of the Georgia Southern & Florida Railway Company twenty-two mills whose daily average output aggregates five hundred sixty-eight thousand feet of lumber. Four of said mills are reached by other roads than the Georgia Southern & Florida road, and the output of the said four mills so reached by other roads is one hundred and twenty-five thousand feet of lumber per day.

The information as to the number of mills in existence, deponent knows personally, and the daily average output is derived from information given to him by the owners of the mills along the line of the road.

W. L. GLESSNER.

Sworn to and subscribed before me this the 19th day of June, A. D. 1905.

C. A. GLAWSON,
Notary Public, Bibb County, Georgia.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

643 AFFIDAVIT OF HAIDEN MILLER.

In the Fifth Circuit Court of the United States for the Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity.
Southern Railway Company, et al.

Affidavit of Haiden Miller.

State of Missouri,
City of St. Louis.

Personally appeared before me, Scott Short, a notary public duly and regularly appointed, commissioned and qualified, in and for the State and County aforesaid, Haiden Miller, who made oath in due form of law that he is the Freight Traffic Manager of the Mobile & Ohio Railroad; that his position rendered it necessary, and enabled him to acquaint himself with the changes in rates on yellow pine lumber from Southern and Southwestern points to Ohio river crossings, and that an accurate history of the advances in lumber rates of the Arkansas lines is as follows:

Feb. 7th, 1903, the St. Louis Southwestern (Cotton Belt Route) published their Supplement No. 5, to Tariff 2948, announcing an advance, effective March 1st, 1903, of two cents per 100 lbs. on yellow pine lumber from points on their line to St. Louis, East St. Louis, Cairo, etc., and points basing thereon.

Supplement No. 8 to the same tariff postponed said advance from March 1st to April 1st, 1903.

Supplement No. 9 to the same tariff postponed the advance from April 1st to April 15th, 1903, and on the latter date the advance became effective.

In supplement No. 13, which was issued May 6th, 1903, they restored, effective May 11th, 1903, the rates that were in effect prior to April 15th, and continued the rates in effect prior to April 15th, to Aug 15th, 1903.

644 On May 27th, 1903, they reissued their rates on lumber under their Tariff No. 3120, canceling their Tariff No. 2948, which continued the former rates.

On July 2nd, 1903, they issued Supplement No. 3 to their Tariff No. 3120, again reinstating the advance of two cents on yellow pine lumber, the same to become effective Aug. 15th, 1903, and the advance has remained in effect continuously since that time.

The changes of the Missouri Pacific Ry. Co.'s rates were made on the same dates as those of the Cotton Belt; in brief, the advances in so far as the Arkansas lines are concerned, first went into effect April 15th, 1903, when an injunction against the Mississippi lines being obtained, the Arkansas lines restored the former rates May 11th, 1903, and continued them in effect until August 15th, 1903. On that date the advanced rates were again reinstated, and have been in effect continuously since that time.

HAIDEN MILLER.
Freight Trf. Mgr. M. & O. R. R.

Sworn to and subscribed before me this 1st day of May, 1905.

Witness my hand and notarial seal at office in St. Louis, Mo., the day and year aforesaid.

SCOTT SHORT,
Notary Public.

[Notary's Seal]
My Com. Ex. Oct. 10th, 1906.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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645 AFFIDAVIT W. A. WINBURN.

In the Circuit Court of the United States for the Western Division, Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
Southern Railway Company, et al.

Georgia,
Bibb County.

Before the undersigned personally appeared W. A. Winburn, who being duly sworn deposes and says that he is the 2nd vice-president of the Central of Georgia Railway Company, and has charge and direction of the general traffic of said railway.

Deponent attaches hereto as Exhibit A, a statement showing the movement of lumber via the Central of Georgia Railway for the months of October, 1901, 1902, 1903, 1904, and for the months of November, 1904. to April, 1905, inclusive.

Said statement shows the movement of lumber via the Cen-

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tral of Georgia Railway to Savannah; the all rail movement to the East, the movement to the West for points south of the Ohio river to the points affected by the said increase in rates, and to the West to points on and north of the Ohio river affected by the said increase in rates.

Deponent says that with the restoration of business confidence in the fall of 1904, that the railway companies commenced placing large orders for railroad cars, and began purchasing lumber and timber for bridge work and structural work, and immediately following the said restoration of confidence and revival of business, that the movements of lumber from the Central of Georgia Railway to all points west rapidly increased, and that the said movement of lumber to said Western territory is much larger at present than it was previous to the advance in rates.

W. A. WINBURN.

Sworn to and subscribed before me this 20th day of June, 1905.

CECIL MORGAN,
Deputy Clerk U. S. Cir. Ct. So. Dist. Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

Statement Showing Movement of Lumber via the Central of Georgia Railway for the Months of October, 1901-02-03-04, and for the months of November, 1904, to April, 1905, inclusive.

	1	2	3	4	Total.
October, 1901	10,503	1,070	1,250	4,996	17,789
October, 1902	12,887	2,007	1,689	9,369	25,952
October, 1903	12,460	3,399	4,305	8,117	28,281
October, 1904	10,921	6,350	4,272	7,085	28,628
November, 1904 ...	10,601	9,027	4,181	9,564	33,373
December, 1904	11,772	7,761	2,736	8,795	31,064
January, 1905	7,907	5,690	2,970	8,377	24,944
February, 1905	8,852	6,387	2,275	8,777	26,291
March, 1905	8,706	7,680	3,171	11,260	30,817
April, 1905	9,222	7,933	5,399	10,667	33,221

1. To Savannah.
2. To the East (all rail).
3. To the West; points south of the Ohio river.
4. To the West; points on and north of the Ohio river.

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646 AFFIDAVIT TITUS DeLOACH.

In the Circuit Court of the United States for the Western Division of the Southern District of Georgia.

In re:

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
The Southern Railway Company.

Georgia,
Bibb County.

Before the undersigned personally appeared Titus Deloach, who beng duly sworn, deposes and says that on the 17th day of June, 1905, he asked for prices from the Lumber Yards at Macon for material to be used in building two small tenant houses; which statement deponent attaches hereto, showing the price of same, and the prices paid for similar lumber in May, 1905, and May, 1904.

TITUS DeLOACH.

Sworn to and subscribed before me, this 17th day of June, 1905.

WM. E. MARTIN, JR.,
Notary Public Bibb Co., Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

EXHIBIT "A."

	June 16, 1905, per 1000 ft.	May 20, 1905, per 1000 ft.	May, 1904, per 1000 ft.	Advance Over 1904.
Framing, Rough	$14.00	$13.50	$12.00	$2.00
Sheeting, 1x4	$14.00	$13.00	$12.00	$2.00
Weather Boarding, "B"	$17.00	$16.00	$14.50	$2.50
Flooring: "B"	$21.00	$17.50	14.50 to $15.	$6.50
Ceiling: "B"	$20.00	$17.50	$13.00	$7.00
Boards: Rough	$16.00	.....	$12.00	$4.00
Laths: Random	$2.25	.....	$1.90 to $2.	.35c

647 AFFIDAVIT J. R. BOWDRE.

In the Circuit Court of the United States for the Western Division, Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
Southern Railway Company, et al.

Georgia,
Bibb County.

Before the undersigned personally appeared J. R. Bowdre, who being duly sworn, deposes and says:

That he is engaged in the wholesale and retail lumber business at Macon, Georgia, and in the manufacture of pine lumber and sash, doors, and blinds, and other manufactured products, at Macon, Georgia, and has been so engaged for several years.

Deponent says that the following is a statement showing the prices in the Macon market for certain of the staple classes of lumber used in ordinary construction, throughout this section of Georgia.

Market Price Yellow Pine Lumber, Macon Market.

	1903-04.	June, 1905.
Flooring "B"	$17.00 to $18.00	$21.00
" "A"	$17.50 " $18.50	$22.50
" # 2 Common	$12.50	$14.00
Weather Boarding.		
# 1 Sq. Edge	$12.00	$14.00
WeatherBoarding "B"	$14.00	$17.00
Ceiling, # 2 Common	$10.00	$14.00
" "A"	$17.50	$22.00
Laths, Standard	$2.15 to $2.25	$2.50
" Random	$1.90	$2.25

Deponent says that the advance in prices in the local Macon market has been occasioned by the advance in prices of lumber at the mills throughout the territory that
648 supplies Macon with its lumber. That the advance in prices of lumber at the mills, or delivered at Macon, will average approximately 33-1/3 per cent over the prices for 1903 and 1904, previous to the beginning of the general advance.

J. R. BOWDRE.

Sworn to and subscribed before me, this 16th day of June, 1905.

WM. E. MARTIN, JR.,
Notary Public, Bibb Co., Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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649 AFFIDAVIT R. H. SMALLING.

In the Circuit Court of the United States for the Western Division, Southern District of Georgia.

In re:

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
Southern Railway Company, et al.

Georgia,
Bibb County.

Before the undersigned personally appeared R. H. Smalling, who being duly sworn, deposes and says that his business is that of builder and contractor, and that he has been engaged in this business for a number of years, at Macon, and throughout a surrounding territory, and is familiar with the prices of yellow pine lumber in the Macon market, and has been for a number of years past.

Deponent says that very little of the higher grades of lumber are sold in the Macon market, and are only used upon special order, that the lumber used at Macon is of the low grade class, obtained from the sides of timber in being reduced to merchantable, and from small size trees and sap trees. That there has been a gradual increase in the price of lumber since about the year 1900. That while the grades of lumber have been lowered, and a lower grade of lumber sold, that the prices have continued to advance. That the price of lumber in the Macon market took a sudden rise in the fall of 1904, and that the grades of lumber have advanced in price from 1902 to June 1st, 1905, an average of approximately, 33-1/3 per cent. Deponent says that he purchases lumber in large quantities, as his building operations is confined principally to large contracts, and for that reason he is able to obtain lum-

ber at a less price than is ordinarily received for the same grades of lumber in the Macon market.

Depoment attaches hereto a statement showing prices paid by him in the Macon market for the staple class of
650 lumber used in ordinary construction throughout this section of Georgia, said statement marked Exhibit "A."

R. H. SMALLING.

Sworn to and subscribed before me this 17th day of June, 1905.

R. D. FEAGIN,
N. P. Bibb Co., Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

	1901	Oct., 1902	Oct., 1903	June, 1905
Flooring:				
First "A"	$16.00	$16.00	$17.00	$23.00
"B"	$15.00	$15.00	$15.00	$21.00
#1 Common	$13.50	$13.50	$13.50	$17.50
#2 Common	$10.00	$10.00	$11.00	$14.00
Weather Boarding:				
#"B"	$13.50	$13.50	$13.50	$17.50
#1 Common	$10.00 to $12.00		$11.50 to $12.	$16.00
Ceiling:				
"A"	$15.00 to $16.00	$15. to $16.	$16. to $17.	$22.00
#2 Common	$10.00	$10.00	$10.00	$13.50 to 1.
Boards:				
Rough	$11.00 to $15.00	$11.00 to $15.	$11. to $12.	$15. to $16.
Boxing, 1x12 to 15				
1x6	$12.00 to $15.00	$12. to $15.	$14.00	$20.00
Sills:				
6x8 4x8 4x6	$10.00	$10.00		$13.50
Framing:				
Rough	$ 9.00 to $10.00	$ 9.00 to $10.	$10. to $11.	$13.50
Sized	$11.00 to $12.00	$11. to $12.	$12. to $13.	$15.50
Laths:				
Standard	$ 1.75 to $ 2.00	$ 1.75 to $ 2.	$ 1.75 to $ 2.	$ 2.50
Random (Low Grade)	$ 1.50 to $ 1.75	$ 1.50 to $ 1.75	$ 1.50 to $ 1.75	$ 2.25

651 AFFIDAVIT O. M. GRADY.

The Circuit Court of the United States, for the Western Division of the Southern District of Georgia.

In Re:

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
Southern Railway, et al.

Georgia,
Bibb County.

Before the undersigned personally appeared O. M. Grady, who being duly sworn, deposes and says that he is the general superintendent of the Georgia, Southern & Florida Railway Company, and that he has had many years experience in railroad building, car building and matters pertaining to the operations of railroads. Deponent says that his road, and the other roads handling the output of pine lumber from Georgia and Florida, and yellow pine territory generally, have been compelled by the demands of the shippers to provide a very large number of flat cars for the carrying of lumber. Deponent says that these cars are used very little by the railroads for any other purpose than the hauling of lumber and that in the cutting out of timber in the territory reached by his own line, and by other lines in contiguous territory, there would be a vast number of flat cars left on the hands of the railroads for which they would have no need. Deponent says that as second hand cars these flat cars would bring a very small price, the price of second hand cars always being exceedingly low, principally for the reason that there is no general uniformity in the make up and equipment of cars by the railroads, that one road will use a certain style of bolster, trucks, and other specialties entering into the make up of cars, and other railroads use a different and distinct equipment, so that any cars already built for some particular road has practically very little value when offered to other roads.

652 Deponent says that flat cars could be built into box cars, but the result of such a change would not warrant the expense of the change. The cost of the converted car would be so near the cost of an entirely new car of the same capacity, that the change would not be warranted. Deponent says in rebuilding a flat car into a box car, that about all that could be used of the old car would be the trucks. The sills and forgings reworked to suit a box car, and would have

no value except as scrap. The springs, arch bars, and other iron work of the flat car, would have their usefulness so lessened by the rough uses of the flat car, that they would not bear the rated capacity, and make a safe, well running box car. The standard of box cars are becoming more uniform year by year, and flat cars could not be, in many instances, rebuilt at all, according to the existing standards of box cars. The deponent says that about fifty per cent of the present flat cars in use, are under sixty thousand pound capacity, and that none of the railroads, within the knowledge of deponent, are buying or building, any box cars of less capacity than sixty thousand pounds, and are getting rid of and breaking up the smaller cars already owned by them, and the flat cars under sixty thousand pounds capacity, would be virtually a total loss. A box car of sixty thousand pounds capacity, or more, cannot be safely rebuilt on trucks of a forty thousand pound capactiy flat car, or trucks from a box car of less capacity than sixty thousand pounds.

O. M. GRADY,
G. Spt.

Sworn to and subscribed before me this 12 day of June, 1905.

WALTER H. BEEMS,
Notary Public Bibb, Co., Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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653 AFFIDAVIT A. POPE.

In the Circuit Court of the United States for the Western Division, Southern District of Georgia.

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
Southern Railway Company, et al.

Georgia,
Bibb County.

Before the undersigned personally appeared A. Pope, who being duly sworn deposes and says, that he is assistant general freight agent of the Seaboard Air Line Railway.

That the following is a statement of the number of cars of yellow pine lumber moving from all stations on the line of said railway destined for Ohio river points and beyond.

Date.	No. Cars.
October, 1902	98
October, 1903	61
October, 1904	62
November, 1904	86
December, 1904	92
January, 1905	84
February, 1905	82
March, 1905	101
April, 1905	113

The above statement demonstrates a large increase in the number of cars of lumber to said Western points over any period from October, 1902, to the 1st day of May, 1905.

The foregoing statement is compiled from a careful and correct examination of many books and papers used in the business of conducting said railway, and is the result of voluminous facts correctly shown in said statement.

A. POPE.

Sworn to and subscribed before me this 20th day of June, 1905.

WM. E. MARTIN, JR.,
Notary Public, Bibb Co., Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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654 AFFIDAVIT A. H. PLANT.

In the Circuit Court of the United States for the Western Division, Southern District of Georgia.

In Re:

H. H. Tift, et al.,
vs. In Equity, Bill, etc.
Southern Railway, et al.

United States of America,
District of Columbia, ss.

Before the undersigned personally appeared A. H. Plant,

who being duly sworn, deposes and says, that he is the comptroller of the Southern Railway Company, having his office, and keeping the records of his office at Washington, D. C.

That the Southern Railway Company ordered freight cars for the period beginning January 1st, 1901, to June 1st, 1905, as follows:

Year.	Freight Cars.
1901	3678
1902	3275
1903	703
1904 June 1st to December 31st	5502
1905 January 1st to June 1st	5061

Deponent says these statistics are correctly compiled from books and records kept in due course of business of said Southern Railway Company, in his office, and are the result of an examination of many books and papers, and the result of voluminous facts stated in said books and papers.

That the said statement of freight cars ordered is true and correct.

A. H. PLANT.

Sworn to and subscribed before me this 16th day June, 1905.

WM. HAWN,
N. P.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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655 AFFIDAVIT OF C. B. DEMING.

In the Circuit Court of the United States for the Western Division, Southern District of Georgia.

H. H. Tift et al.
vs. In Equity.
Southern Railway Company et al.

Georgia,
Chatham County.

Before the undersigned personally appeared Clayton B. Deming, who, being duly sworn, deposes and says: That he is

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engaged in winding up the business of the Georgia Car & Manufacturing Company, of Savannah; and also in the iron and steel brokerage business at Savannah, Georgia. That since 1900 deponent was the purchasing agent and official estimator for the Georgia Car & Manufacturing Company, in its purchasing of material in building freight cars and in making out the figures for bids on contracts for building freight cars. That, previous to being engaged by said company, deponent was engaged in the saw-mill business in Tennessee and in Georgia; that deponent's business with the Georgia Car & Manufacturing Company required him to be familiar at all times with the prices of yellow pine lumber, and the other materials that entered into the construction of cars. That affiant was required to keep familiar with all bids wanted for freight cars and orders placed for the same throughout the United States. That the Company was accustomed to bid on cars for territory east of the Rocky Mountains and in Mexico and for Canadian work, coming principally into competition with the car builders plants north of the Ohio river and east of the Mississippi river and west of the Pittsburg district; and also car plants located in the South.

Affiant says that, by the close of the year 1901, the car shops all over the country were filled with inquiries and orders for freight cars, and in 1902 a great number of cars were ordered by the roads, which orders the car plants were unable to complete until well into the year 1903. The Georgia Car & Manufacturing Company was unable to complete its 1902 orders until the late summer of 1903. From statistics kept by
656 deponent in his business and from information gained by deponent from the trade journals of the railway and car building business, deponent says that in 1902, orders were placed for approximately 164,000 freight cars. The total number of new cars ordered in 1902 was about 195,000 cars; but the statistics kept by deponent show that of this number, 164,000 were for new standard freight cars. In 1903 only about 74,000 standard freight cars were ordered by the railroads. The deponent's company being able to obtain and place orders for only about 200 in 1903. With the completion of orders brought over from 1902, and the great decrease of orders in 1903, a great number of the car building plants began shutting down, while others ran only on repair work. The plants of the American Car and Foundry Company, at Jeffersonville, Ind., at Memphis, Tenn., Detroit, Mich., Huntington, W. Va., were shut down. The freight building departments of the Pullman Company were practically shut down most of the time. The

car plants of the Southern Car & Foundry Company at Anniston, Ala., at Gadsden, Ala., and Lenoir City, Tenn., were placed in the hands of a receiver in 1903, and the Anniston plant, also the Gadsden plant, shut down for a considerable length of time, the Lenoir City, Tenn., plant being operated a considerable time by the receiver on completion of orders previously placed.

The large plant of the A. C. & F. Company at St. Louis was operated in some departments on short time and shut down in the others; a number of its employees, including office men and time keepers, made applications to deponent's company for employment, for the reason that these plants had closed down and laid off men.

The car plant at Terre Haute was advertised for sale in 1903, and the plant of the Mt. Vernon, Ill., was run on repair work during latter part of 1903. The plant of Barney & Smith and the South Baltimore Car Works were operated with reduced force on slack orders. Haskell & Barker, of Michigan City, Ind., were able to carry on more business than any of the other car plants known to the deponent, for the reason that they financed orders placed with them in some
657 instances on the Car Trust Certificate Plan, the cars bearing the owner plates of Haskell and Barker.

Affiant was able to obtain for his company in 1902 about $750.00 each for standard 60,000 pound capacity box cars. In May, 1903, on bids asked by the Mobile & Ohio R. R., deponent bid $731.85; for some reason, orders were not awarded at that time, and on new bids asked in September, 1903, a great competition developed by the other car building plants, and prices were lowered, and 350 cars were awarded at that time to deponent's company at 664.74. For financial reasons, this order was held up by the railroad company, and on February 22nd, 1904, new bids were asked, and deponent's company and most of the other car plants, being entirely out of work, bid on these cars practically at cost, deponent's bid being about $575.56. Deponent's company obtained none of this order, but order was placed by the company, as stated to the deponent by the successful contestant, at about $565.00 per car. This rapid reduction in prices of cars was brought about by the great falling off of new orders for cars by railroad companies. In March, 1904, deponent bid on 60,000 M. ventilated box-cars for the S. A. L. at 585.30. It was stated to deponent by one of the officials of the road awarding the bids that there were four bidders within $5.00 of each other, two being western car plants, one Baltimore and the other de-

ponent's company. A similar car had been built and sold about a year previously for about $710.00 per car.

Deponent says that the specifications for cars all called for yellow pine lumber for sills, decking and other wooden material for cars; that this was true previous to the depression of the price in cars and in lumber, and that no change was made in specifications in this respect on orders bid on or offered to deponent's company during the time of depression.

Deponent says that with the falling off of orders for cars in 1903, price of lumber for car building purposes receded and lower prices prevailed, until after orders were placed by the Southern Railroad, the Seaboard Air Line, the Atlantic Coast Line, and C. N. O. & T. P., and the Mobile & Ohio in the spring and summer of 1904. This operated to advance the market price about $2.00 per thousand for car building material, and the prices have steadily advanced until this time. Deponent says that car sills at Savannah market now bring $21.50 per thousand for ten inches and under by 36"; decking and other framing entering into the construction of box cars, exclusive of siding, roofing and lining average at Savannah $18.00 per thousand; siding and roofing now average at Savannah $23.50 and is very hard to get even at those prices. The highest price ever known to deponent for car sills of similar size previous to this time was $16.00 per thousand in the early part of 1903, and during the period of high prices in 1901 and 1902 car material averaged the deponent's company about $14.00 per thousand at Savannah with the roofing, siding and decking worked. Deponent says that the list price of the Georgia Interstate Saw Mill Association is upheld more closely than ever before known to affiant and that some sizes on the list are bringing more than the list prices.

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Deponent attaches hereto as Exhibit A the report of the monthly meeting of the Georgia Saw Mill Association held at Jacksonville the 20th day of March, 1905, published in the Southern Lumber Journal, the officially adopted organ of the Georgia Interstate Saw Mill Association, on page 30 of which shows the numerous orders entered for yellow pine lumber and the highest prices ever known to the trade with a price list for yellow pine lumber according to the lumber rules of 1905, price list shown on page 32.

Deponent says that these prices are the highest prices for yellow pine lumber ever known to deponent during an experience of ten years. Deponent also attaches as Exhibit B a copy of the Southern Lumber Journal dated May 15th, 1903,

showing that yellow pine lumber conditions were never stronger, nor was ever demand ever more active. The official report on page 31 of the meeting of the said Georgia Interstate Saw Mill Association of May 15th, 1905, report the highest prices ever known have been reached. Deponent says that classifications of yellow pine lumber, under new rules for 1905, are shown on page 43 of the said Southern Lumber Journal of the issue of April 1, 1905, heretofore referred to as Exhibit A. According to this new classification

659 deponent says that the rules are much more favorable to the mill men than the old, and practically allow them to now ship lumber which was formerly known as square edge, as merchantable, and that the grade now known as standard enables them to sell a quality of lumber which heretofore was not considered marketable, except as cut down into small sizes. In this new grade sap is no objection; merchantable now requiring sizes under nine inches to show some heart entire length of one side of piece, when formerly 2/3 heart must be shown. These changes in rules allow the mill men to utilize much timber that was formerly left standing on account of heavy sap.

Deponent says that car plants are accustomed to cover themselves as quickly as possible after securing the orders for cars so that they may be protected from any advance there might be in the market. While there was more cars actually built in 1903 than the number shown by deponent as having been ordered in 1903, deponent says that these orders were brought over from 1902 on account of the overcrowding of the plants; and the orders were placed in 1902; and in the opinion of the deponent the building of these cars and the shipment of lumber to complate [complete] the these cars would have very little effect on the lumber prices in 1903. In deponent's own company not over 10 per cent. of the lumber used to complete the brought over orders was purchased in 1903.

And deponent says that with the exception of lumber, that practically none of the material used in the construction of cars has reached the high prices of 1902 and the early part of 1903.

Bar iron from Birmingham, which was quoted at $1.96 per hundred pounds base Savannah in the early part of 1903, can today be purchased at $1.80 f. o. b. Savannah. Axles now quoted f. o. b. Savannah $2.05 per hundred as against $2.45 two years ago. Pig iron for making car castings was bought in 1903 at $19.75 f. o. b. Savannah, is now quoted at $15.25 Savannah.

Deponent says that he was engaged in lumber business in Knoxville, Tenn., in 1896 and some years previous thereto; but during those years competition from yellow pine lumber districts of Georgia became very active and on large sizes of lumber bought was delivered at Knoxville at prices
660 cheaper than deponent could meet on lumber cut within 12 miles of Knoxville.

Deponent says that generally speaking that from about two weeks before Christmas until the first of March is the hardest time for the manufacturing and delivery of pine lumber; and that besides the Christmas holidays, generally in this section of the country on account of the wet and cold weather, it is hard to get any laborers to work, and difficult to get the timber out of the woods, which naturally reduces the output during that time.

Deponent says that the Georgia Car & Manufacturing Company were shut down about the first of June, 1904; that deponent has been engaged in winding up said company and also reorganizing its successor, and has kept himself posted on matters entering into car building industry.

Deponent says that the trade journal of the railway and car building interests show a large demand for railway equipment and cars at the present time. This activity became marked during the fall of 1904; and from that time up to the first of January, 1905, and from the first of January, 1905, up until date, many large orders for cars have been placed; and the number of cars ordered in that time will, in deponent's opinion, exceed the number of cars ordered for the same period at any time during the past five years; and with the inquiries now noted, deponent believes that the number of cars ordered for the year beginning November 1, 1904, will more than equal the number of cars ordered in 1902.

C. B. DEMING.

Sworn to and subscribed before me this 10th day of June, 1905.

H. C. ANDERSON,
Notary Public, Chatham County, Georgia.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

662 AFFIDAVIT OF W. W. DeHAVEN.

In the Circuit Court of the United States for the Western Division of the Southern District of Georgia.

H. H. Tift, et al.,
vs.
Southern Railway, et al.

Georgia,
Bibb County.

Before the undersigned personally appeared W. W. DeHaven, who being duly sworn deposes and says that he is a resident of the City of Macon, State of Georgia, and has resided therein for a number of years.

That his business is that of architect, contractor and builder.

That his business during a number of years has required him to purchase large quantities of yellow pine lumber suitable for the erection of dwellings, business houses, public buildings and manufacturing plants, and that he is familiar with the run of prices of said lumber in the City of Macon for such purposes.

Affiant says that the prices of yellow pine lumber generally in the Macon market have been steadily advancing for the last five years. That there was a temporary depression in the price of lumber extending over a period of some months during the latter part of 1903 and the early part of 1904, during which period prices of lumber receded and fell in a small amount, but that the prices of lumber commenced to react and advance in the fall of 1904, and has steadily advanced until at this time lumber of all grades is higher in the Macon market than affiant has ever before known.

Affiant says that lumber on an average is approximately $2.50 per M. higher at this time than affiant has ever known in the Macon market.

663 Affiant further says that the grades and classification of yellow pine lumber were changed about the first of this present year, 1905, and reduces the grade and classification of the same. By this change of classification and grading lumber of an inferior quality and of the lower grade is classified under the same class as formerly a higher grade previous to said change in classification, and the lower grade is sold and brings in the market the same price per grade as formerly was received for the higher class.

That lumber is delivered and sold as first class lumber that

POSSIBLE BLURRED PAGES

contains more sap and more knot holes and more defects than was allowed under the former classification, and to that extent is an advance in the grade and price over and above the advance in the market price of the classification of said lumber.

Affiant is informed by lumber dealers and mill men that this change in the classification has been made by the Georgia Saw Mill Association.

Affiant further says that under this classification small timber and inferior timber can be sawed and make lumber that is delivered on contracts that according to the classification previous to the change above stated would have required lumber of a better class cut and sawed from larger trees and better timber.

W. W. DeHAVEN.

Sworn to and subscribed before me this 8th day of June, 1905.

WM. E. MARTIN, JR.,
Notary Public Bibb Co., Ga.

Filed June 20, 1905.

CECIL MORGAN,
Deputy Clerk.

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665 [AFFIDAVIT OF WM. B. STILLWELL.]

In the Circuit Court of the United States, Southern District of Georgia.

H. H. Tift, et al.,
vs.
Southern Railway Company, et al. Bill.

Georgia,
Bibb County.

Personally came W. B. Stillwell, who being duly sworn in the above stated cause, deposes and says as follows, to-wit:

Deponent is now, and has been for many years, engaged in the saw-mill business in Georgia. He knows the history of that business for over thirty years, and is familiar with its cost, needs, requirements and management. He is familiar with the supply of timber, with the cutting away of such supply, with ist probable duration, and with the prices formerly and now asked and given therefor.

Deponent says that there has been no substantial change of grades of lumber for shipment to the Northwest, that is to say, no substantial variations of quality classed under the different grades for that territory. He says positively that no attempt has been made by the saw-mill association nor by reputable lumber producers to change the grading of lumber so as to transfer low class into higher class grades. The changes of grades that were made apply solely to a classification adopted many years ago for the coastwise and foreign trade, and when supply, demand and conditions were entirely different from now, and before the Western buisness had been exploited and these changes did not affect Western grades or Western business.

Deponent, further testifying, says that local prices in towns and cities are no criterion of actual prices charged
666 and received by producers. They are the result of local conditions and local combinations. As an illustration, deponent knows that at the same time lumber of the same grade was selling in Savannah at $18.00 per thousand and in Atlanta at $12.00 and $14.00 per thousand. These local rates are fixed not so much on the cost at the points of production as on the local demand, local supply and the amount consumers can be forced to pay.

Deponent further says that the Saw-Mill Association has no official organ. Its efforts are not to control prices, and none of its publications are binding. It is a bureau of information, and its chief purpose is protection.

Deponent further says that while prices of lumber are higher now than at some former periods, they are not more remunerative to the producers than they were in the years 1899 and 1900, cost of production considered.

Deponent further says that from his many years of experience in the saw-mill business, from his knowledge of its history, and from his intimate acquaintance with the conditions of the timber supply and the demoralized condition of labor, it is his opinion that the present prices of lumber are abnormal, unreliable and uncertain, with every probability toward decline, such high prices having been largely produced by the following causes, which, in themselves, show that they are in all human probability temporary or transitory, namely: depletion of stocks of lumber in interior or western yards, action of railroad companies in the matter of the spurt in orders for cars, curtailing of output by the mills in this section for about six months in the latter part of 1904, excessive rains in the southwest yellow pine district in the early part of 1905, where-

by producers could not log their mills, causing a reduction of their output of thirty-three per cent or more, and the burning of some saw-mills in Georgia and Florida, whose daily output ranged in excess of three hundred thousand feet per day, thus making the temporary increased demand in excess of the reduced supply.

667 The increased volume of western movement, under the circumstances, was caused by the sudden demand to refill interior yards, supply car works, building operations etc., causing the movement of such stocks as the mills had on hand and their current reduced output and the entire output of many mills that had hitherto cut exclusively for foreign markets. This foreign demand continuing normal or below, the foreign buyers would not meet the advanced values, occasioned by the conditions above stated, and hence only bought of urgent necessity and from hand to mouth, and are still so doing.

Deponent also knows and states as a fact that a certain large important and necessary production in Georgia and Florida has recently or within the last few years increased three hundred [and] fifty per cent in value, and as yet no increase in freight rates has been made. Deponent does not volunteer to name this business, lest its prosperity be divided, but he can name it if desired by the Court.

Deponent further says that for a year, including the latter part of 1903 and the first part of 1904, following the putting into effect of this advanced rate, considering the cost of production, there was as little profit in the lumber business in Georgia and Florida as in any such period for over thirty years, and he believes these conditions are brought about largely, if not wholly, by the two cent advance in rates which demoralized the coastwise and foreign markets as well as those in the interior. Deponent further says that in May, 1905, he visited and went through the Western Steel Car & Foundry Works, located at Hedgewich, Illinois, near Chicago, one of the largest car manufacturing companies in the United States, and could not find but a small sample of yellow pine. The yards were filled with Oregon and Washington fir, there being a stock of 15,000,000 feet piled on the yards and in all the shops and yards there were cars in process of construction and no yellow pine was used or being used in them. This concern had once been a customer of deponent, and had bought and used quantities of yellow pine for the manufacture of cars. The western fir, weight 32 pounds per foot, was brought to Hedgewich at the rate of 4.2 mills per ton per mile in com-

petition with yellow pine, a much heavier wood,
668 weight 4.5 pounds per foot at 5.4 mills per ton per mile. The rate on yellow pine from Tifton to Cincinnati being 7 mills per ton per mile. Deponent attaches hereto a map and schedule of rates, showing this competition of fir and other woods with yellow pine in the territory north of the Ohio river.

Deponent further says that the interior demand, and particularly the demand for car material, shows signs of falling off. He recently wrote eight or ten car manufacturing companies, seeking orders for a lot of decking he had on hand, and response was made that they had no order to give and could not use same, and declined to offer, with one exception, and that company offered a price two to two and a half dollars lower than the product had been recently theretofore selling for.

Deponent says that his old firm of D. C. Bacon & Company, through its Atlanta branch, the Atlanta Lumber Company, was the pioneer in the Western lumber business, exploiting it at first by personally soliciting and selling sample cars, which in time developed inquiries conditioned on meeting competition with other woods. This they were only able to do to such limited extent and in such sizes and grades that there was no profit in the business, and found themselves where they must have lower rate, or abandon the business. They then approached the railway companies, and after continued and persistent efforts, got in rates at which some business could be done, and later on rates that would enable them to increase the business to a profitable business. Deponent's firm erected plants at various points in Georgia for manufacturing suitable material for Western markets, other manufacturers doing the same, since which time this business has continued with the
usual fluctuations and variations of a business of
669 such character, until the two cent advance in rate in 1903, when a demoralization of this business followed greater than has ever been known from deponent's experience.

WM. B. STILLWELL.

Interlineation before signing-

Sworn to and subscribed before me this 22nd day of June, A. D. 1905.

R. D. FEAGIN,
Notary Public, Bibb County, Ga.

Filed June 22, 1905.

CECIL MORGAN,
Deputy Clerk.

670 AFFIDAVIT M. W. GARBUTT.

In the Circuit Court of the United States, Southern District of Georgia.

H. H. Tift, et al.,
vs
Southern Railway Company, et al. Bill.

Georgia,
Bibb County.

In person came before the undersigned M. W. Garbutt, who has already testified in the above stated cause, and supplementary to and in addition to his testimony already given, states:

Deponent's experience in the saw-mill business, his connection therewith and knowledge of the same are already stated in his testimony, and he refers thereto for the purpose of showing his intimate knowledge with the subject about which he further testifies.

Deponent is secretary and treasurer of the Garbutt Lumber Company, a corporation, and its operation are in Wilcox and Irwin Counties.

Deponent says that since the hearing of the testimony before the Interstate Commerce Commission the price of standing timber has increased in that section of Georgia and parts of Alabama one hundred per cent, and he knows this from actual experience and purchases made by his company. Deponent further says that not only have prices of labor, material and all other things necessary to the operation of saw-mills advanced, but that labor is in a disorganized condition, hard to obtain and difficult to control at high prices, thus adding to the present expenses and future difficulty of saw-mill operations.

671 Deponent further says that from his long acquaintance with the business the present high prices are abnormal and uncertain, with probability to decline, and to show this he mentions the circumstance that they have had orders for car material canceled within the last thirty days. Deponent says that the present high prices of lumber can be easily accounted for, among the causes producing which he would mention the cutting down of production by the destruction of a number of mills by fire, the resumption of orders for cars by railroads, the supplies of mills and lumber yards in the Northwest which have exhausted their supplies and the

practical suspension of a large part of the business of certain mills in the southwest yellow pine district by reason of excessive rains in the spring of 1905, and also on account of extraordinary local demand.

Deponent further says that there has been no material change of the grading of lumber for Western markets. The changes made have reference to coastwise and Eastern shipments, and have been made to correct the grading of lumber put into effect many years ago, but not actually practiced in later years, and these changes were made after a conference with buyers for the Eastern market.

Deponent further says that the Georgia Saw-Mill Association has no official organ, that neither its practice, purpose or power has been to regulate prices, but that its action and conduct have been advisory, more in the nature of a bureau of information, and for the purpose of protection. It was not organized and has never been used for the purpose of forming a combination to put up prices.

M. W. GARBUTT.

Sworn to and subscribed before me this the 22nd day of June, A. D. 1905.

R. D. FEAGIN,
Notary Public, Bibb County, Ga.

Filed June 22, 1905.

CECIL MORGAN,
Deputy Clerk.

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672 AFFIDAVIT H. H. TIFT.

In the Circuit Court of the United States, Southern District of Georgia.

H. H. Tift, et al.,
vs
Southern Railway Company, et al. Bill.

Georgia,
Bibb County.

In person came H. H. Tift, who being duly sworn, deposes and says:

That he has already testified in the above entitled cause, and

it is in evidence that he has had long experience in the saw-mill business of Georgia, and he refers to his testimony to show the extent of his knowledge of such business, his experience therein, and the probable value of his opinions and testimony in respect thereto.

At the time the advance complained of was put into effect, the movement of lumber to the Northwest and coastwise was normal. In the years 1899 and 1900 business was as good and profitable as it is to-day, considering the relative cost of production. In the latter part of 1902 and early part of 1903 prosperous conditions in the lumber business were declining, and it was pending this declining situation that an announcement was made that an advance in the freight rate on lumber to the Northwest was in contemplation by the railway companies, and it was afterwards officially declared that this advance would be put into effect on the first of March, 1903. The saw-mill interests of this section of the country and of Florida entered protest at the time. They alleged that the rates were as high as the traffic could reasonably bear, and stated that to increase the rate at that time would be detrimental to producers. The announcement that the rate would be put into effect had a bad effect on the lumber
673 business and the putting of it into actual effect did demoralize it, and while it has since fluctuated, it has never entirely recovered from the demoralization, and the present situation is but one of the incidents to a buisness thus demoralized.

As soon as the advanced rate went into effect, orders almost entirely ceased, and what was shipped was merely to fill out previous contracts which had been large on account of the threatened and finally executed raising of rates.

One of the effects of the raise was to throw the cut of the mills to the coastwise and foreign trade, and after contracts with the Northwest had been filled, there were very few shipments to the West, and after the supply of the coastwise trade, there was a partial shut down of the mills, partial paralysis of business, and an exhaustion of yellow pine supplies in the Northwest.

Prices given in local markets are no criterion of the prices received by producers, as they are due to local conditions and local combinations. These local transactions are small in volume and are controled by the necessities of the locality, by the credit of the contractors, and, to some extent, by the business ability of the handlers of lumber. Indeed, there are local combinations among retailers that fix the price of lumber at

exceedingly high prices and without much relation to what is the cost of the material at the point of production.

Deponent further says that certain changes in the grading of lumber, referred to by affidavits recently read in the cause, were not intended to and did not relate to shipments to the Northwest. These changes were made as to shipments to Eastern and foreign markets where grades were established many years ago, where arbitrary and exacting, not fitted to existing conditions, and indeed were changed with the consent and, to some exteat, the suggestion of purchasers from those markets.

Deponent says that there has positively been no effort on the part of reputable lumber man [men] to substitute a low class of lumber into a class named for a higher grade.

Deponent further says that the Georgia Saw-Mill Association has no official organ. Its price lists are advisory, and its suggestions are in no manner binding. The sole object of the association is to establish a bureau of information, to adopt rules for mutual benefit and with no power or desire to control in any manner the free action and conduct of its members.

Deponent further says that since the taking of the testimony before the Interstate Commerce Commission the price of standing timber has increased one hundred per cent or more; that all other elements in the production of manufactured lumber have also gone up in price, and, added to this increase of expense, the labor necessary for its production has become very much disorganized and uncertain with the result that it is very difficult and exceedingly expensive to operate saw-mills. The net profits from the saw-mill business to-day are not greater than they were in the years 1899 and 1900, considering the cost of production. And deponent, from his long years of experience, and with his knowledge of the saw-mill business and its history, is of the opinion that the present high prices are not normal; that they grow out of peculiar condition which is not likely to continue, and to fix a freight rate based on them or to justify a rate already fixed because of present conditions would be unwise and not justified by the situation. The present condition, in deponent's opinion, is caused by a sudden renewal of orders by railway companies for cars. The history of such things shows that this is either occasional by design or occasional from necessity. It happens just now that it is on and the demand is out. Another reason is that in the spring of 1905 a considerable section of the yellow pine territory suffered from inundations of water, excessive rains, breaking up the logging of mills and

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causing their suspension of business, and thus reducing the supply not yet recovered from. Another reason is that there has been a practical deficiency or absence of yellow pine in the yards of lumbering and manufacturing establishments in the Northwest and this increase of demand for cars has stimulated and prompted orders in other lines. Another reason is that some very large saw-mills in Georgia and Florida with an output of from three to four hundred thousand feet per day have been burned. Another reason is that some time back the saw-mills of Georgia curtailed their output voluntarily, on account of the condition of the market and want of remunerative business. Another reason is that the mills in the Southwest curtailed their supply from July, 1904, to January, 1905. All these reasons combine to show that the present condition is abnormal, uncertain and more than liable to be changed for the worst.

H. H. TIFT.

Sworn to and subscribed before me this the 22nd day of June, A. D. 1905.

R. D. FEAGIN,
Notary Public, Bibb County, Georgia.

Filed June 22, 1905.

CECIL MORGAN,
Deputy Clerk.

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675 In the Circuit Court of the United States for the Western Division of the Southern District of Georgia.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company, and Southern Pine Company, Complainants,

vs In Equity. Bill. etc.

Southern Railway Co., Atlantic Coast Line Railway Co., Louisville & Nashville R. R. Co., Nashville, Chattanooga & St. Louis Railway Co., Seaboard Air Line Railway, Central of Georgia Railway Co., Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Co., Southeastern Freight Association, and S. F. Parrott, Chairman of said Southeastern Freight Association, Respondents.

Ellis, Wimbish & Ellis, solicitors for the complainants.

Ed. Baxter, special counsel for the respondents.

John I. Hall, solicitor for the Georgia Southern & Florida Railway.

Dorsey, Brewster & Howell; Dessau, Harris & Harris; C. B. Northrop, Merrell P. Callaway, solicitors for Southern Railway Company.

Lawton & Cunningham, solicitors for Central of Georgia Railway Company.

Louis F. Garrard, solicitor for Macon & Birmingham Railway.

King, Spalding & Little, solicitors for Louisville & Nashville R. R. Co.

Brown & Randolph, attorneys for Seaboard Air Line Railway.

Claude Walker, attorney for N. C. & St. L. Railway.

Mason, Hill & McGill, solicitors for Southeastern Freight Association.

Kay, Bennett & Conyers, solicitors for Atlantic Coast Railway Company.

676 OPINION.

(June 28, 1905.)

SPEER, Judge.

An adequate statement of the issues in this case is given in the report of the Interstate Commerce Commission which appears in the record.

The Southeastern Freight Association is a combination of common carriers. In the preamble of its organic agreement it is stated that its purposes are set forth in the following articles. A critical scrutiny of the articles will disclose its machinery, but we fail to discover any express statement of its purpose. It is however plainly enough to fix and control the rates to be charged by each and all of its members for the railway transportation of freight. Most of the railways constituting its membership are actively engaged in interstate commerce and all of them may be. The territory to which this association extends its dominating control comprehends the States of Virginia, North Carolina, South Carolina, Georgia, Florida and those portions of Tennessee and Alabama east of a line extending from Chattanooga via Birmingham, Selma and

Montgomery to Pensacola. In that territory with all of its varied products, with an area and population vaster than many empires of which we have an account, as regards every interest dependent upon the transportation of commodities, the action of the association is more authoritative than the firman of the Sultan or the ukase of the Czar. A most important industry of this association's dominion is the manufacture of lumber. The tonnage of this product is enormous. The cotton plant is indigenous to much of this territory, but while in the year 1903 the railroads whose rates are arranged through the Southeastern Freight Association, transported 1,274,727 tons of cotton, in the same year of lumber they moved
677 9,808,463 tons, or nearly eight times as much. Indeed in tonnage thus transported lumber was not approached by any other product, and was only exceeded by bituminous coal. This tonnage has been steadily increasing. In 1901 it had been little more than six and a half millions, and two years later as we have seen it was nearly ten million tons. The vast income from moving this tonnage, an immense proportion of which was the product of the forests and the mills of Georgia, poured into the treasuries of the defendant companies. That it was remunerative is not in dispute. It is charged in the bill that it was very profitable. In the answer it is admitted that it was profitable. The remunerative rates for which this product was transported could scarcely have been denied, in view of the fact that the rates themselves had been advanced, pari passue, with the increase of tonnage. For the purpose of convenience the rate makers have divided their territory into what are termed "groups." From group 2 of the Southern Railway there has been an increase of 3 cents a hundred pounds on lumber since May, 1894, two cents since September, 1899. From May, 1894, to September, 1899, the rate to Cairo from that group was 13 cents. This was increased to 14 cents from September, 1899, to June, 1905. From other groups generally speaking since 1894 the increase has amounted to 4 cents a 100 pounds. From all the groups the present rates to Cincinnati, Louisville and Evansville are greater than they have been since 1891. The rate to Cincinnati from most of the groups is now four cents higher than it was in 1892, and from the Georgia group on the Southern Railway to Cincinnati, Louisville and Evansville and all Ohio river points, the rates are three cents higher than they have been since 1891. This steady and marked increase of rates for the transportation of this freight, coincident with the phenominal increase of the tonnage carried, seems abnormal. "The

general rule," said the Interstate Commerce Com-
678 mission in its valuable report in this case is this, "the greater the tonnage of an article transported the lower should be the rate. No rule is more firmly grounded in reason or more universally recognized by carriers." While these conditions were existing, while the respondent railroads were engaged in the transportation of the largest annual tonnage of lumber, theretofore known, in April, 1903, the Southeastern Freight Association, and other similar associations having conferred upon the subject, the defendant companies acting in concert, announced that they would forthwith put into effect an increase of two cents a hundred pounds, in the rate on lumber to points on the Ohio river and beyond. This announcement brought the intelligence of this additional levy upon their products to the owners of every mill in Georgia, in Florida, in Alabama, in Mississippi, in Louisiana and in Arkansas. On the lumbermen at work in the immediate domain of the Southeastern Freight Association estimated on the tonnage of that year, the assessment amounted to $132,000. It is perhaps not surprising that these men immediately sought protection through the courts.

On the 17th of April, 1903, the original bill was filed. The complainants are H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company, Southern Pine Company, and all other members of the Georgia Saw Mill Association (a voluntary association, not a party). The averments in brief were that the defendant companies had published and were to immediately put into effect an increase of two cents a hundred pounds in the rate on lumber from Georgia points to points of delivery on the Ohio river and beyond; that the threatened advance was unjust and excessive and would result in irreparable injury. An injunction was sought upon the ground that the contemplated action of defendants was in violation of the Act of

Congress to regulate commerce. A temporary re-
679 straining order was issued with the usual rule calling upon the respondents to show cause why the injunction sought by the bill should not be granted. A general demurrer denying the jurisdiction of the Circuit Court of the United States as such, and as a court of equity, was interposed. Respondents also filed a response to the rule. A hearing was had upon the demurrer and also upon the evidence submitted by both parties. By interlocutory decree entered on the 16th day of May, 1903, it was held that the Court had jurisdiction to grant the relief sought, if finally satisfied of the

righteousness of complainants' demand, that the demurrer be overruled, that the bill with amendments be retained in the files of the Court, and that the temporary injunction be dissolved. The reasons which moved the Court to take this action were stated in the opinion that day filed. Among them was the statement that the increase of rates had not been actually imposed. The decree concluded with the following clause: "In case the respondents shall enforce the rates complained of and the complainants shall make proper application to the Interstate Commerce Commission to redress their alleged grievances, the Court will entertain a renewed application on the record as made, and such appropriate additions thereto as may be proposed by either party for enjoining the enforcement of such rates pending the investigation by the Commission, unless otherwise dissolved, and on presentation to the Court of the report of the Commission such other action be taken as will be conformable to law and the principles of equity." Upon the dissolution of the restraining order, to-wit: on the 22nd of June, 1903, the respondents at once made the advanced rates effective. On the day following the complainants presented to the Interstate Commerce Commission their complaint and their prayer, that the advance be declared to be excessive, unjust and unreasonable. Subsequently com-

680 plainants again sought from this Court an injunction to restrain the enforcement of the rates pending the action of the Commission. Upon this application a full rehearing of the controversy was had. This involved an exhaustive discussion of the jurisdictional questions, and the facts as well. The conclusions of the Court may be found in 123 Fed., pp. 789-796. Action upon the application of complainants was withheld. The reasons for this course as stated on page 796 of the opinion are as follows:

"The complainants, it appears, have appealed to the Commission. * * * The respondents are all solvent—probably all of them highly prosperous—railway corporations. It will be easily competent for the complainants to keep careful account of all the charges claimed to be unreasonable and excessive exacted by the defendants on shipments of lumber to the territory described in the bill. If their contention shall be maintained, it will be competent for the Court in its final decree to direct the respondents, or either of them, to make restitution of the sums thus exacted. Indeed, the learned special counsel for the respondents, by his statement made in judicio, binds his clients to promptly repay to the complainants all such sums in case they shall finally prevail. Nor is

it likely that in the interval which sshall remain before the Commission will act there will ensue any serious impairment of the business of complainants or either of them. It is easily conceivable that a case or cases of this general character might be presented on which it would seem obligatory on the Court to grant an immediate injunction. Such injunctions, however, should not be granted save in cases of grave and compeling exigency. Judicial action should be conservative, and rarely is such conservatism more plainly required than when vast commercial operations involved in interstate transportation will be arrested or disturbed by incautious orders. In this case the duty to grant the extraordinary order
681 sought does not now seem imperative. The Court therefore in view of the record and of the considerations mentioned, will withhold further judicial action upon the application until properly appraised of the action of the Interstate Commerce Commission. When we shall have received the valuable assistance in the performance of the grave duty before us, which must be expected from the conclusions of that authoritative and eminent body, such other and further action will be taken on this application as the law and principles of equity will seem to direct."

It will thus be seen that the Court did not deny the injunction prayed for. It merely withheld action to await the report of the Commission. This has now been submitted. After hearing and considering the voluminous evidence submitted, that body on February 7th, 1905, made its report. The report sustains in toto the contentions of the complainants and declares that the advance in rates complained of was unreasonable, unjust and violative of the act to regulate commerce. The report was however not unanimous. The Honorable Chairman, Mr. Knapp, and Commissioner Fifer expressed their dissent as follows: "In the view we take of this case, the conclusions of our associates are not justified by the facts and circumstances appearing in the record, or otherwise entitled to consideration. Holding that the rates complained of have not been shown to be in violation of law we respectfully dissent from the foregoing report and opinion." It is regrettable that the dissenting Commissioners did not more fully record their grounds of their dissent. It might then be possible for the Court to inquire to what extent the dissent was supported by "facts and circumstances appearing in the record," or by facts and circumstances not so appearing and which therefore do not appear to the Court. The order, of the Commission
682 seeking to make effective their conclusions, declares the rates and charges complained of to be excessive,

unreasonable, unjust and in violation of the provisions of the act to regulate commerce. It is further ordered that the defendants, the Southern Railway Company, Atlantic Coast Line Railway Company, Louisville & Nashville Railroad Company, Nashivlle Chattanooga & St. Louis R. R. Co., Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company and the Macon & Birmingham Railway Company, be and each of them is hereby notified and required to cease and desist on or before the first day of April, 1905, from further maintaining or enforcing said unlawful advance of two cents per one hundred pounds, and the said unlawful rates and charges resulting therefrom for the transportation of lumber as aforesaid.

A certified copy of the opinion and order of the Commission has been duly filed. This is accompanied by an application for an injunction pendente lite and for final decree granting the relief prayed in the original bill. Counsel for the respective parties with meritorious purpose to avoid delay and to obtain a speedy hearing on the merits entered into a stipulation that the evidence taken before the Interstate Commerce Commission shall stand as the evidence in this Court, subject however to the right of either party to apply to the Court for leave to introduce such additional evidence as the Court may think proper for a just decision of the case. On the hearing additional evidence, mainly in the form of affidavits, was submitted by the respective parties. It is agreed that the testimony thus submitted shall have the same force and effect as if it had been regularly taken in accordance with the rules in equity. With equally meritorious purpose counsel
683 for the respective parties agreed that this should stand for and be the hearing for final decree in equity. Counsel for the respective parties have been fully heard. The hearing was concluded on the 22nd inst. On account of the gravity of the questions involved and the tremendous record we have taken time for consideration.

The effect of the Commissions report was strongly controverted in the argument. Counsel for the complainants insisted that it must be accepted by the Court as true, unless it was wholly without evidence to support it. On the other hand it was insisted that it was only prima facie correct, and tipped the judicial scale only by a hairsbreadth. "Our view is that it would be not only violative of explicit law, the settled policy of government and the most practical principles of reason and justice for the Courts of the nation to save for controlling reasons of law or fact, to discredit or disparage the conclusions

of the Interstate Commerce Commission. The act to regulate commerce, par. 14, declares that the "findings of fact set forth in the report of the Commission shall in all judicial proceedings be deemed prima facie evidence as to each and every fact found." In paragraph 16 this provision is distinctly reiterated. Nor are we in any doubt as to the import of the expression "prima facie evidence." In Kelly vs. Jackson, 6 Peters, 631, Mr. Justice Story declares that "prima facie" evidence of a fact is such as in judgment of law is sufficient to establish the fact, and if not rebutted remains sufficient for the purpose." The authority of this case has been uniformly recognized. Rose's Notes on U. S. Reports, Vol. 3, p. 361. It follows that the report of the Commission declaring these advance rates to be excessive and violative of the act to regulate commerce has such evidencial effect that had complainants been content to introduce the report and to

684 rest their case without further evidence, it would have entitled them to the decree unless the respondents by preponderance and controlling evidence should rebut and disprove its findings. Lillienthal's Tobacco vs. United States, 97 U. S., 268. In other words the act of Congress creates a rule of presumption in favor of the Commission's report which on its introduction changes the burden of proof as in this case from the complainants to the respondents. "There is not the least doubt on principle," says the author of the recent work on evidence, Wigmore, " that the Legislature has entire control over such rules as it has over all other rules of procedure in general, and evidence in particular, subject only to the limitations of evidence expressly enshrined in the Constitution." Wigmore on Evidence, par. 1354, cl. 3. Elsewhere in the same comprehensive and valuable work, I Volume, par. 7, it is stated: "Apart from the constitutional rules to protect against statutory changes the Legislature has the power to alter or create any rule of evidence."

The wisdom of according to the report of the Commission this important effect is as little open to question. The administration of justice said Webster "Is the chiefest concern of man upon earth." Within the scope of that function of government there is perhaps no single topic of greater magnitude or moment than controversies which arise in trade and in commerce. Said Sir Walter Raleigh whosoever commands the trade of the world commands the riches of the world, and consequently the world itself. In a material sense and in our astonishing civilization, nothing is more important than the transportation of commodities, sold or interchanged. And

in transporation the stability and reasonable character of the rates charged therefor is scarcely less important than transportation itself. The three grand departments of government, legislative, executive, and judicial, are with steady and swerveless purpose enacting or enforcing laws to safeguard
685 the rights of the general public and as well that portion engaged in the business of transportation. The shippers are appealing to government to protect them against unwarrantable exactions by the carriers. Appeal may be made by the carriers to protect their interest from unremunerative rates to which they may be restricted by State or other local authorities. In either case, complainant is heard and redress is given. Reagan vs. Farmers Loan & Trust Company, 154 U. S., 362; Chicago, etc., Ry. vs. Minnesota, 134 U. S., 418; Rose's Notes on U. S. Reports, Vol. 11, p. 946 et seq. It is no longer doubtful that "the question of the reasonableness of a rate of charge for transportation is eminently a question for judicial investigation." Justice Blatchford, in Chicago & St. Paul Ry. vs. Minnesota, 134 U. S., 418. To this end in part the government has created the Interstate Commerce Commission. It is a tribunal to hear, investigate and report on the reasonableness of rates, and to attempt the correction of inequalities, and injustice therein. Said the Supreme Court, in Louisville and Nashville Railroad Company vs. Behlmer, 175 U. S., p. 675: "That body, in the nature of its organization and the duties imposed upon it by the Statute, is peculiarly competent to pass upon the questions of fact of the character here arising." In view of these considerations and precedents, it can, we think, be no longer open to question that the Interstate Commerce Commission is the expert tribunal empowered by law to determine in the first instance the reasonable or unreasonable character of the rates charged for transportation in Interstate Commerce. Said Judge Taft, for the Circuit Court of Appeals in E. T. V. & G. R. R. Co. vs. Interstate Commerce Commission, 99 Fed., 64: "It has been suggested that the traffic managers are much better able by reason of their knowledge and experience to fix rates and to decide what discriminations are justified by the circumstances than
686 the Courts. This cannot be conceded, so far as it relates to the Interstate Commerce Commission, which, by reason of the experience of its members in this kind of controversy and their great opportunity for full information, is in a sense an expert tribunal." We may repeat what was stated by this Court in Commission vs. Louisville & Nashville R. R. Co., in 118 Fed., 626: "The righteous orders of

the great Commission, which has been primarily entrusted by Congress with the tremendous duty, should in all proper cases be respected and enforced by the Courts of the country. While on occasion the railway or other corporation may suffer a temporary diminution of revenues from an order of this character, the interest of the public, and, in the end, the interests of the corporation itself, is concerned. In all such cases the general welfare must control. Salus populi est suprema lex. It is proper to observe, however, that the Court has considered the entire record and has formed its conclusions, not only from the report of the Commission, but from all the evidence submitted to that body, and stipulated into the case here, and from the additional evidence submitted de novo on this hearing.

A highly significant feature of this case is the fact that the rates complained of are the result of concert of action on the part of the members of the Southeastern Freight Association. This organization, as we have seen, embraces as members all of the defendants, except the Nashville, Chattanooga & St. Louis Railroad and the Louisville & Nashville Railroad Co., But the latter as co-lessee of the Georgia Railroad while not nominally is also essentially a member. The association was a proper though perhaps not a necessary party. It might well desire to be heard with regard to the relating charges against its character and conduct. While in the original bill there was a prayer that this association should be declared
687 an illegal combination in restraint of interstate trade, and that the defendant railway companies be enjoined from prosecuting the purposes of such illegal combination through the medium of the Freight Association, counsel for the complainants in argument properly abandon that prayer. While this is true, it is also true that the methods of the Association and the conduct of its members in this particular case, were placed before the Commission and are fully before the Court. In reply to the contention on the part of the respondents that they acted independently, each for itself, and not through the agency of the Southeastern Freight Association, the Commission finds: "The proof shows conclusively that the advance was the outcome of concert of action and previous understanding between the companies. Through their authorized official representatives, they conferred with each other repeatedly as to the making of the advance, recognized the fact that because of competition in common markets between the lumber producing districts served by them, the advance should be from all those districts or none, and finally they all promulgated the advance, to take effect at exactly the

same date, and for exactly the same amount. This concurrence of action was not only between the railway companies parties defendant in this case, and in relation to rates from Georgia shipping points, but was participated in by the lumber hauling roads serving the territories both east and west of the Mississippi, in Arkansas, Louisiana, Mississippi, Alabama and Florida." The Commission concludes that it is its duty to consider this joint or concert of action of the defendants as bearing upon the reasonableness and validity of the advanced rate which results. It holds that the element of competition is eliminated. In the absence of legitimate competition, destroyed, as we shall presently see, by methods obviously illegal, the Commission presumes that the advance rates are higher than legitimate competition would produce. In other words, the marked increase of charges for transportation of
688 that commodity which, save one other, affords the largest tonnage of freight to the respondent roads, did not originate from a normal or reasonable exigency of the respondent's business; on the contrary, it was an arbitrary exaction, imposed by a combination of railroad agents, made in restraint of the natural movement of the product in the lumber trade. This combination or concert of action on the part of the respondent railroads is plainly violative of that provision of the Interstate Commerce law which forbids pooling. This was enacted, among other things, for the purpose of securing competition. Pooling may be as well effected by a concert in fixing the advance, the rates which in the aggregate would accumulate the earnings of naturally competing lines as by depositing all of such earnings to a common account and distributing them afterwards. That such an association and concert of action between the agents of naturally competing lines is destructive of competition is equally unanswerable. To entertain any other view is to ignore reiterated decisions of the Supreme Court of the United States and many rulings of the Circuit Courts and of the State Courts. Perhaps the leading cases on this subject are the United States v. Freight Association, 166 U. S., 341; Joint Traffic Association case 171 U. S., 659.

In the first case, the Court had under consideration the legality of the Trans-Missouri Freight Association. The agreement of that body may differ in form, but its substantial purpose was the same as that of the Southeastern Freight Association. It avowedly was the mutual protection to the railroads by establishing and maintaining reasonable rates, rules and regulations on all freight traffic, both through and local." After

argument by many of the most eminent counsel in the country, and after exhaustive consideration, the Court held that the anti-trust law, prohibiting contracts, combinations and conspiracies in restraint of trade or commerce among the several States, or with foreign countries, apply to and cover
689 common carriers by railroad, and a contract between them in restraint of such trade or commerce is prohibited, even though the contract is entered into between competing railroads only for the purpose of thereby effecting traffic rates for the transportation of persons and property. It was further held that, in order to maintain such a contention, the complainant is not obliged to show that the agreement in question was entered into for the purpose of restraining trade or commerce, if such restraint is the necessary effect, and concluded that the Anti-Trust Act applies to railroads, and that it renders illegal all agreements which are in restraint of trade or commerce. The Court then proceeds to declare that the agreement of the Association does in fact constitute such a restraint and violation of the law. It is proper to state that four Judges, three of whom are not now on the bench of that Court, dissented from this conclusion, but the opinion of the majority is, of course, controlling.

In the subsequent case of the United States vs. Joint Traffic Association, 171 U. S., 505, the Court, after a full consideration, reaffirmed its holdings in the Trans-Missouri case. It further declares that Congress, with regard to interstate commerce and in the course of regulating it in the case of railway corporations, has power to say that no contract or combination shall be legal which shall restrain trade and commerce by shutting out the operation of the general law of competition. The tremendous significance of these findings is shown by the multitude of cases in which the doctrines announced have been utilized and reaffirmed. See Rose's Notes on U. S. Reports, Vol. 12, p. 950, et seq.; also supplemental to same publication, Vol. 3, p. 795. Perhaps the most noted case on this subject is that of the United States vs. Northern Securities Co., 193 U. S., page 197. There it was held that a contract by which a majority stock of two companies owned parallel
690 interstate railroads is transferred to a corporation, organized for the purpose of holding and voting the same and receiving dividends and dividing the same pro rata among the stockholders of the two companies, violates the anti-trust law. Such is the superabundance of authority upon this subject that further citations will be superfluous. It may be pardonable to recall that one of the pioneer cases on this

important topic was that of Rowena Clark vs. Central Railroad & Banking Company of Georgia, 50 Fed., 338, et seq., heard in this district. This case was decided in 1892. Commenting upon similar conditions, it was there observed: "It is not difficult to perceive that a combination of corporations which produces a condition so inequitable cannot be sanctioned by the law. We believe that transactions of this character are within the spirit, if not within the letter, of the Act of Congress known as the Sherman Anti-Trust Law (Act July 2nd, 1890, 26 Stat. L. P. 209). It is certainly, as we have seen, obnoxious to the laws of Georgia, and it was certainly as obnoxious to the common law. This decision was made thirteen years ago. The principles then announced, which were challenged in many influential quarters, are now imbedded in the country's jurisprudence and in the legislation of the National Congress. It was insisted with great earnestness by the learned special counsel for the respondents that because the various members of the Association expressly stipulated in the will and at any time withdraw from the agreement to fix rates, that it was not a combination in restraint of trade. This view seems wholly untenable. It is merely a recitation of a privilege which any party to an unlawful enterprise inherently enjoys. Confederates or conspirators who unite to do an unlawful act or to do a lawful act in an unlawful way, may jointly or severally abandon the project. The law affords them the locus penitentiae. If, however, the object of the
691 conspiracy is accomplished, its character is not to be determined in view of the consideration that the conspirators might have repented, but with an eye single to the fact that they did not repent. Besides, it is indisputable that the agreements of the Association were made to be kept, and not to be broken. Good faith between the members, not to mention a powerful compulsory force behind them, obliged that the agreements be kept, and the fact is, as the Commission finds, they were kept.

The cardinal error to which the railroads have been committed in this important controversy is the apparent belief that they have the right, by arbitrarily increasing freight rates, to divert at any time to their own treasuries a share of the profits of successful industries or occupations. It was not contended that the anteceded rates were unremunerative. As before stated, they were conceded to be profitable. That additional revenue was needed to meet increased expenses was the motive of the advance was testified by Vice-President Culp of the

Southern Railway. To quote his language, they "looked about to see where" they could best, but without injury, get that additional revenue, and one of the commodities which they thought would "bear an advance" was lumber. But the Courts have more than once decisively corrected this assumption on the part of railway officials. It is true that the business of railway transportation is usually carried on by private capital invested in corporations. It is, however, business of a quasi public nature. As we have seen, there is no doubt that within the limitations of the Constitution, it is subject to governmental control. These facts prohibit the agents of the railway from charging, like the owners of other property, any price they may choose to exact for the use of the railroad. The law does not fail to regard the enormous franchises which have been granted to the railroads by the public, their
692 corporate powers, the right to avail themselves of the right of eminent domain, the right to protection against exorbitant restrictions or exactions from local authorities, and other similar considerations. These views are very plainly set forth in the opinion of Justice Brewer, sitting with the Circuit Court of Appeals of the Eighth Circuit, in the case of the Chicago & Northwestern R. R. Co. vs. Osborne, 52 Fed., 914. The conclusion of the learned Justice is that reasonable compensation for the services actually rendered is all that the railroad is permitted to exact. Five years after the decision just cited was made, the Supreme Court of the United States had before it the same question. This was in the case of Smyth vs. Ames, 169 U. S., 466. This was a case of great importance. The opinion was happily unanimous. It was argued for the appellant by Mr. John L. Webster, and by Mr. Churchill, Attorney General of the State of Nebraska, and with them appears the famous name of William J. Bryan. For the appellees, there appeared J. M. Woolworth and that renowned leader of the American bar, the late Mr. James C. Carter. The case would be additional authority for the jurisdiction of this Court in equity to prevent a multiplicity of suits if such additional authority was needed; but the great duty which fell upon the Court was to determine the rule for fixing the reasonableness or unreasonableness of transportation rates. The State of Nebraska had attempted to determine this by fixing an arbitrary maximum for the transportation of interstate commerce. This the Court held that it could not do. But in holding this, it announced certain principles which the controlling officers of railroads, charged as they are with such

vital duties to the commerce and welfare of the country, might well take to heart. "The railroad," said the Court, "is a public highway, none the less so because constructed and maintained through the agency of a corporation, deriving its existence and power from the State. Such corporation was created for public purposes. It performs a function
693 of the State. Its authority to exercise the right of eminent domain and to charge tolls was given primarily for the benefit of the public. It is under governmental control, though such control must be exercised with due regard to the guaranties for the protection of its properties. It may not "fix its rates solely with a view to its own interests, and ignore the rights of the public. But the rights of the public would be ignored if the rates for the transportation of person or property on a railroad are exacted without reference to the fair value of the property used for the public, or the fair value of the service rendered, but in order that simply the corporation may meet operating expenses, pay the interest on its obligations and declare a dividend to stockholders."

After careful consideration of the extensive record, there seems to have been an utter absence of excuse or justification for the concerted action of the railroads which advanced the rates on lumber throughout the South. The vast increase of the lumber traffic has resulted in large increase of net revenue for those roads. The service was inexpensive. It required neither rapidity of movement nor specially equipped cars, and such simple equipment [as] was needed, the shippers were obliged to furnish and pay for. The railroads were required to neither load nor unload the cars. This was done by the consignor and consignee. The lumber carried was neither fragile nor perishable, and the risk therefore from loss or damage was inappreciable. Mr. Tift, the principal witness for the complainants, and one of the largest lumber men of the State, testified that for thirty years he had not been compelled to present a claim for damage on lumber shipped from his mill.

Nor were there any exigencies in the financial condition
694 tion of the principal defendants which called for so vast a contribution to their treasuries from an industry whose product forms such a large part of their tonnage and which is so indispensable to the public welfare. On this subject we may perhaps with propriety quote literally the figures and findings of the Commission. On page 73 of the report, it is said:

> "The financial condition of the principal defendants appears to have steadily improved for a number of years,

up to and including the year 1903, and which the advance in rates complained of was made. They were comparatively prosperous at the date of and for years prior to the advance.

The Southern Railway Company has declared dividends for each year from 1897 to 1903, both inclusive, ranging from $573,000 (1% on $54,300 of preferred stock) in 1897 up to $4,500,000 (7 1/2% on $60,000,000 of preferred stock) in 1903. That road also reports surpluses of from $464,013 in 1898 to $2,100,897 in 1902.

The Louisville & Nashville Railroad Company has declared dividends for each year from 1899 to 1903, both inclusive, ranging from $1,848,000 (about 3 1/2% on $54,912,520.00 of common stock) in 1899, up to $3,000,000 (5% on $60,000,000 of common stock) in 1903. That road also reports surpluses of from $40,204 in 1899 to $2,987,195.00 in 1903.

The Atlantic Coast Line Railroad Company has declared dividends for each year, except year 1900, from 1894 to 1903, both inclusive, ranging from $318,399.00 in 1894 (5 1/2% on $7,021,950 of common stock) up to $1,714,075.00 (5% on $1,744,100.00 of preferred stock) and 5% on $36,650,000.00 of common stock) in 1903. The surpluses reported by that road are from $86,875 in 1894 to $1,293,983.00 in 1903. In 1900 no dividend was declared, but there was a surplus reported of $2,152,406.00.

The Nashville, Chattanooga & St. Louis Railway
695 Company declared dividends ranging from $100,000.00 in 1899 (being 1% on $10,000,000 of common stock) to $400,000.00 in 1895, 1896, 1897 and 1898. being 4% on $10,000,000 of common stock. For each year from 1900 to 1903, that road reported surpluses ranging from $566,907 in 1900 to $823,480 in 1903.

The Georgia Southern & Florida Railway Company declared dividends for each year from 1897 to 1903, ranging from $27,360 (being 4% on $684,000 of preferred stock) in 1897 up to $99,240 in 1901 (being 5% on $684,000 of preferred stock and 6% on $1,084,000 of preferred stock in 1903. For each of the years 1902 and 1903 they declared a dividend of $77,560. The surpluses reported from 1896 to 1903 range from $9,657 to $107,060 in 1896. The surplus for 1901 was $24,165; for 1902, $41,448, and for 1903, $77,968.

The Seaboard Air Line Railway Company has declared

no dividends, but reports surplus $252,076 for 1901; $796,331 for 1902, and $754,431 for 1903. The Central of Georgia Railway Company declares no dividend, but report surpluses for each of the years 1899 to 1903, both inclusive, ranging from $58,888 in 1899 to $203,506 in 1903. The Macon & Birmingham Railway Company has declared no dividends and report a deficit for each of the years from 1894 to 1903, both inclusive, ranging from $29,099 in 1902 to $96,715 in 1994. The deficit reported in 1901 was $34,313; for 1902, $29,099, and for 1903, $45,949."

696 It is true as insisted that the operating expenses of the railroads have grown larger and the percentage of operating expenses as to gross earnings has increased. But it is also true that both gross and net earnings have steadily increased. The statement made in argument that the gross earnings of the Southern Railway have increased from $25,353,686.00 in 1899 to $42,313,248 in 1903, does not seem to have been challenged. In the same years the net earnings, it seems, had increased from more than 8 millions to more than 12 1/2 millions, and the net earnings per mile have increased more than $1000. While these figures are most encouraging and will afford gratification to all of those who are broad-minded enough to rejoice in the prosperity of the railroads which do so much for the welfare of the country and advancement of its civilization. It is also true that this is probably an under-statement of the real earnings of this great corporation. It was insisted by Mr. Baxter in his very able argument for the respondents that every expenditure of a railway, no matter how permanent the improvement, must be charged to the expense account of operations. This accomplished lawyer is accustomed to speak authoritatively with regard to the matters entrusted to his care. His statement in judicio may be regarded as binding upon all the respondent companies, and if accepted, when we consider the vast material improvements which have been made in the Southern railways, it will be difficult to estimate the marvelous prosperity which they now enjoy. It is true counsel for the railroads insists that their net revenue did not increase in proportion to their gross earnings, but in the nature of things this is not to be expected in any business. A manufacturer may make 10 per cent .by the product of his mill; he may double his capacity and double his output, but he will look in vain for a double increase in net earnings. How needless, then,

was the exaction upon the great lumber industry of the South which has occasioned this costly litigation with all
697 of its lamentable consequences. The hardship upon the complainants was incontestible, the findings of the commission show that under the old rates they had built up a prosperous trade in the Northwest. Under the new rates this practically ceased. When the Court, with what was thought to be caution, conservative with the rights of all parties, retained the bill, but declined to continue the injunction, and gave the complainants the opportunity to avail themselves of their right to appeal to the commission. This business was practically prostrated. Unhappily, but no doubt necessarily, there was a delay of 19 months before the commission made its finding. In the meantime, for well-known causes of a political nature, there had been a great and enthusiastic revival in the business enterprise and confidence of the country, a great demand for yellow pine lumber had grown up in all sections. Builders felt themselves obliged to have it, whatever the price and whatever the rate, and large shipments were made on the advanced rates. This is plainly enough shown by the numerous supplemental affidavit offered by the complainants and received as evidence. This, however, was in no sense ascribable to the action of the Southeastern Freight Association in imposing this rate, but was, despite that action. It in no sense relates to the reasonableness or unreasonableness of the rate. And it should not be forgotten that while the business of the lumbermen was recuperating, the treasuries of the railroads were all the while receiving a proportionate increment from the unreasonable increasing rates which they had imposed. They had no right to graduate their charges in proportion to the prosperity which comes to industries whose products they transport. With equal reason they might demand an increase of rates for the transportation of cotton with every increase in the value of our great staple.

698 Indeed to conceive the principle for the fixation of rates upon which the railroads through the medium of the Southeastern Freight Association have acted in this case, would concede their power to levy for no better service augmentation of tolls for every increase of profit in every line of endeavor, won by the enterprise, sagacity and industry of the American people. It is superfluous to add that a government of law and not of men will never tolerate such denomination and control of the trade, manufacture and commerce of the American people. These views relate exclusively to the facts before the Court in this case as proven incontestably as

found by the evidence, and as found by the Interstate Commerce Commission. Here is no attempt to discredit the incalculable services which are hourly rendered the country by the railways. In nothing do we share the animus or purpose of that sinister, selfish and insincere agitation which would excite, if it could, the masses of the people to hatred and injustice toward corporations. Such a propaganda provokes in the justly-balanced mind, and particularly the mind trained for the administration of law, and for the protection of property and personal rights, disapprobation and, indeed, abhorrence. With sincere enthusiasm the judge of this Court has elsewhere testified to the wonderful material blessings bestowed upon our once prostrate Southland by our great railway systems, "in economies of operation," "in constant, if gradual, reduction of rates in increased facilities and more extensive accommodations, in more uniform services, for longer distance without change of cars, in abolition of short disjointed lines under different management, in augmentation of shipping facilities in physical protection of the properties and consequent safety to the public, in the steady increase in value of all the securities of these great highways of Southern commerce * * * * And with what results? Where formerly asthmatic engines attached to unsafe and noisome trains
699 through the solitudes of an impoverished country, like a wounded snake, dragged their slow length along, now we behold on massive rails of gleaming steel, on roadbeds of granitic ballast successive sections of long freight trains, sturdily steaming through a prosperous land smiling with luxuriant crops, beautiful with neat and happy homes, the chimneys of great factories giving employment to thousands, almost marking the miles; or the admiration kindled, and the pulse leaps as the limited express, laden with its human freight glances by on its mission of progress and civilization." In nothing do we abate that enthusiastic approval of the services of the railway to the people, but not more than any other human agency is railroad management infallible. The patriotic and proper solution of every controversy involving the vast questions of transportation it is simply the trial of each case on its particular facts, and with an eye single to the merits of the one party or the other. In Interstate Commerce this is exclusively a duty of the national tribunal, and the laws regulating such commerce are within the exclusive power of congress.

Innumerable are the cases in which the railroads themselves successfully invoke the identical principles here announced for

their own protection against intemperate and injurious local legislature, restricted of their just powers, and destructed of their just rights of their stockholders. Such was the case of Smyth vs. Ames, supra. Such was the case of Chicago, Etc., Ry. vs. Minnesota, 134 U. S., 418. See also Central Railway vs. Macon, 110 Fed., 871; Iron Mountain Railroad vs. Memphis, 96 Fed., 123; Milwaukee, Etc., Co. vs. Milwaukee, 87 Fed., 678; Bell vs. Rutland, 93 Fed., 516; Cleveland City R. R. vs. Cleveland, 94 Fed., 904; Chicago, Milwaukee R. R. vs. Tompkins, U. S., 176, p. 173; Louisville, Etc., vs. McCord, 103 Fed., 220. In all of these cases and many others of pertinent character which might be cited, corporations found themselves obliged to resort to the Courts to obtain protection against rates which were unreasonably low. The
700 Courts of the country will be found prompt to protect them in the righteous exercise of righteous power. They will be equally prompt in proper cases to protect the public or any individual from unrighteous exactions, particularly when invoked through the agency of unlawful combinations or associations in restraint of trade and commerce, affecting not only the welfare and happiness of the individual, but the thrift and prosperity of entire communities and great commonwealths.

In this case the conclusions of the Court as to the issues involved agree with the conclusions of the Interstate Commerce Commission as expressed by their report. A decree enjoining all the respondents against further enforcement of the rates complained of will be at once entered. Order will be taken referring to the standing master the pleadings and evidence with instructions to ascertain the sum total of the increased rates paid by each of the complainants to either or all of the defendant companies since the rate went into effect and to the end of this litigation and report such amount to the Court in order that pursuant to the stipulations made by the respondents in open Court, that in case the complainants prevailed decree of restitution shall be made. Because of the vast extent of the lumbermen's business and the great expense and inconvenience which might result to them, to the lumber trade, and the railways, from the instantaneous enforcement of this injunction, when respondents may have purpose to appeal from this action, it will be ordered further that the decree now granted shall not take effect until ten days from this date have elapsed, in order that the respondents, or either of them, if they so desire, may seek the usual supersedeas.

(Indorsement): U. S. Circuit Court, Western Division, Southern District of Ga. H. H. Tift, et al., vs. Southern Railway Co., et al. Opinion. Filed June 28, 1901. L. M. Erwin, Deputy Clerk.

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701 DEMURRER TO SUPPLEMENTAL BILL.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Co., Garbutt Lumber Co., Alapaha Lumber Co. and Southern Pine Company, Complainants,
vs. 280. In Equity.
Southern Railway Co., Atlantic Coast Line Ry. Co., Louisville & Nashville R. R. Co., Nashville, Chattanooga & St. Louis Ry. Co., Seaboard Air Line Ry., Central of Georgia Railway Co., Georgia Southern & Florida Ry. Co., Macon & Birmingham Ry. Co., and The Southeastern Freight Association, and S. F. Parrott, Chairman of Said Southeastern Freight Association, Defendants.

The defendants in the above named case, to-wit, Southern Railway Company; the Atlantic Coast Line Railroad Company (erroneously sued as the Atlantic Coast Line Railway Company); the Louisville & Nashville Railroad Company; the Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company); the Seaboard Air Line Railway; the Central of Georgia Railway Company; the Georgia Southern & Florida Railway Company and the Macon & Birmingham Railway Company, by protestation, not confessing or acknowledging all or any of the matters and things in the said alleged supplemental bill maintained to be true in such manner as the same are therein set forth, demur thereto, and for cause of demurrer show:

702 I.

That the said alleged supplemental bill doth show upon its face that the same was not filed in accordance with the rules of practice of this Honorable Court, regulating the presentation and filing of supplemental bills, in that the same was not

ordered filed upon motion and after notice to these defendants or either of them, nor upon a rules day of this Honorable Court. Wherefore these defendants say that said bill should be dismissed.

II.

Because it doth appear in and by the said several matters and things set forth in the said bill of complaint that said matters and things therein set forth do not constitute the proper matter of a supplemental bill, nor such matter that these defendants should be called upon to demur, plead or answer thereto, as and for a supplemental bill of complaint.

III.

Because it appears in and by the alleged supplemental bill that the same was prematurely filed in and that it doth not appear that by any decree of any Court the said rates complained of have been decreed to be unjust and unreasonable, or that the defendants or either of them failed and refused to make restitution of any rate or amount which has been adjudged to be in excess of a just and reasonable rate.

IV.

Because there is no equity in said alleged supplemental bill.

703 Wherefore the said defendants pray that their said demurrer be sustained and said alleged supplemental bill be dismissed.

DORSEY, BREWSTER & HOWELL,
Solicitors for Southern R'y Co.,
LATON & CUNNINGHAM,
Solicitors for Central of Georgia R'y Co.,
A. S. ERWIN and
E. T. BROWN,
Solicitors for Seaboard Air Line R'y,
PAYNE & TYE,
Solicitors for N., C. & St. L. Railway,
KAY, BENNETT & CONYERS,
Solicitors for Atlantic Coast Line R. R. Co.,
JOHN I. HALL,
Solicitor for Ga. So. & Fla. R'y Co.,
LOUIS F. GARRARD,
Solicitor for Macon & Birmingham R'y Co.,
KING, SPALDING & LITTLE,
Solicitors for Louisville & Nashville Railroad Company.

The undersigned, as counsel for the defendants in the above stated case, do hereby certify that in their opinion the foregoing demurrer is well founded in point of law.

R. T. DORSEY,
Solicitor Southern R'y Co.,
H. C. CUNNINGHAM,
Solicitor Central of Georgia R'y Co.,
E. T. BROWN,
Solicitor Seaboard Air Line R'y,
JOHN TYE,
Attorney for N., C. & St. L. R'y Co.,
W. E. KAY,
Solicitor for Atlantic Coast Line R. R. Co.,
ALEX C. KING,
Solicitor for L. & N. Railroad Company,
JOHN I. HALL,
Solicitor for Ga. So. & Fla. R'y Co.,
LOUIS F. GARRARD,
Solicitor for Macon & Birmingham R'y Co.

(Indorsement): #514. In the Circuit Court of the United States for the Western Division of the Southern District of Georgia. H. H. Tift, et al., vs. Southern Railway Co., et al. Demurrer to supplemental bill. Filed June 3, 1895. Cecil Morgan, Deputy Clerk.

United States of America.

State of Georgia,
County of Fulton.

Personally before the undersigned came J. S. B. Thompson, who on oath sayeth that he is the general agent of the defendant, Southern Railway Company, one of the defendants in the foregoing demurrer named, and that the said demurrer is not interposed for delay. J. S. B. THOMPSON.

Sworn to and subscribed before me, this May 20, 1905.
[Seal] E. D. DUNCAN,
Notary Public, Fulton Co., Ga.

United States of America.

State of North Carolina,
County of New Hanover.

Personally before the undersigned came T. M. Emerson, who

on oath sayeth that he is the third vice president of the defendant, Atlantic Coast Line Railroad Company, one of the defendants in the foregoing demurrer named, and that the said demurrer is not interposed for delay.

T. M. EMERSON.

Sworn to and subscribed before me, this May 16, 1905.

BERTRAM QUELCH,
Notary Public, New Hanover Co., N. C.

United States of America.

State of Georgia,
County of Fulton.

Personally before the undersigned came E. A. Peeples, who on oath sayeth that he is the general Southern agent of the defendant, Louisville & Nashville Railroad Company, one of the defendants in the foregoing demurrer named, and that the said demurrer is not interposed for delay.

E. A. PEEPLES.

Sworn to and subscribed before me, this June 1, 1905.

LEWIS W. THOMAS,
Notary Public, Fulton Co., Ga.

United States of America.

State of Georgia,
County of Fulton.

Personally before the undersigned came E. A. Peeples, who on oath sayeth that he is the general Southern agent of the defendant, N., C. & St. L. R'y, one of the defendants in the foregoing demurrer named, and that the said demurrer is not interposed for delay.

E. A. PEEPLES.

Sworn to and subscribed before me, this 1st day of June, 1905.

JULIUS G. EDWARDS,
Notary Public, Fulton Co., Ga.

United States of America.

State of Georgia,
County of Fulton.

Personally before the undersigned came R. I. Cheatham,

who on oath sayeth that he is the assistant general freight agent of the defendant, Seaboard Air Line Railway, one of the defendants in the foregoing demurrer named, and that the said demurrer is not interposed for delay.

R. I. CHEATHAM.

Sworn to and subscribed before me, this 1st day of June, 1905.

D. E. MOOREFIELD,
Notary Public, Fulton Co., Ga.

State of Georgia,
Chatham County.

Alexander R. Lawton, being duly sworn, deposes and says that he is the first vice president of the Central of Georgia Railway Company, one of the above named defendants, and that the foregoing demurrer is not interposed for delay.

ALEXANDER R. LAWTON.

Sworn to and subscribed before me, this May 23rd, 1905.

[Seal] JOHN BELL,
Notary Public, Chatham Co., Georgia.

United States of America.

State of Georgia,
County of Bibb.

Personally before the undersigned came O. M. Grady, who on oath sayeth that he is the general superintendent of the defendant, the Georgia Southern & Florida Railway Company, one of the defendants in the foregoing demurrer named, and that the said demurrer is not interposed for delay.

O. M. GRADY.

Sworn to and subscribed before me, this May 20th, A. M., 1905.

WALTER H. BEEKS,
[Seal] Notary Public, Macon, Bibb Co., Ga.

State of Georgia,
County of Bibb.

You, W. C. Shaw, do swear that you are the vice president of the Macon & Birmingham Railway Company; that you have read over the grounds set forth in the foregoing demurrer; that you are advised by your counsel that the same are well

founded in point of law and that the same are not interposed for the purpose of delay.

MACON & BIRMINGHAM RAILWAY CO.,
By W. C. SHAW, Vice President.

Sworn to and subscribed before me, this May 27th, A. D., 1905.

WALTER H. BEEKS,
Notary Public, Bibb Co., Ga.

[Seal]

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704 FINAL DECREE.

In the Circuit Court of the United States for the Southern District of Georgia.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Co., Southern Pine Company, Complainants,

vs. In Equity.

Southern Railway Company, Atlantic Coast Line Railroad Company, Nashville, Chattanooga & St. Louis Railway, Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, Southeastern Freight Association and S. F. Parrott Chairman of Said Southeastern Freight Association, Respondents.

Bill for Injunction and Relief.

This cause came on to be heard at this term, on the pleadings and proofs submitted, and was argued by counsel for the respective parties.

706 At the hearing of the cause under the rule issued to show cause why an injunction should not be granted pending an investigation by the Interstate Commerce Commission of the reasonableness of the rates complained of, counsel for the respondents stipulated in judicio that should the contention of the complainants prevail, and the Court should decree the advance in rates complained of to be unreasonable and excessive, the respondents would promptly repay to the complainants all such sums paid by them in excess of the rates obtaining prior to the filing of the original bill.

The cause being at issue upon the pleadings in this Court,

further proceedings were suspended pending an investigation and report of the Interstate Commerce Commission.

Subsequently a certified copy of the opinion, report and order of the said commission was duly filed in this Court, and there was also filed a copy of the evidence taken before and heard by the commission under a stipulation of counsel that such evidence so filed should have the same force and effect as if the same had been taken in this Court and in this cause.

On the hearing of the cause, beginning on the 20th day of June, 1905, and continuing through the 22nd day of June, 1905, additional evidence in behalf of the respective parties was offered and admitted, and counsel consented in
707 open Court that the cause should be fully heard upon all the issues involved, and final decree rendered therein, and also agreed that should the contentions of the complainants prevail, it would be competent for the Court to take such action as was consonant with the stipulation made at Mount Airy, and the ruling of the Court based thereon, without other or further pleadings.

Upon conclusion of the hearing the Court took the cause under advisement, and after full consideration of all the pleadings, proof and argument of counsel, handed down his opinion on the 29th day of June, 1905, sustaining the contentions.

The Court being now fully advised in the premises, thereupon and in consideration thereof, it is considered, ordered, adjudged and decreed as follows, to-wit:

First. That the advance on rates of lumber complained of in the bill, and made effective by defendant railway companies, on June 22nd, 1903, from lumber shipping points within the State of Georgia, to Cincinnati, Louisville, Evansville, Cairo and other points on the Ohio river, commonly designated as Ohio river points or crossings, was and is excessive, unreasonable and unjust, and in violation of
705 the provision of the act of Congress, known as the act to regulate commerce, and the amendments thereto, and that the rates and charges resulting from said advance are likewise excessive, unreasonable and unjust and in violation of the act to regulate commerce.

Second. That an injunction do issue directed to the re-

spondents, Southern Railway Company, Central of Georgia Railway Company, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway, Seaboard Air Line Railway, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, their officers, agents and servants, commanding and strictly enjoining them, jointly and severally, to discontinue and wholly desist from maintaining, or enforcing the said advance in rates, made effective on the 22nd day of June, 1903, or either of them, in so far as they apply to shipments of lumber from points in Georgia, to Ohio river destinations and points basing thereon.

Third. That an order be taken referring to the standing master of this Court, J. N. Talley, Esquire, the pleadings and evidence in this cause, with instructions to ascertain the sum total of the increase in rates paid by each of the complainants and other members of the Georgia Sawmill Association to either or all of the defendant companies, since the rate went into effect, and to the end of the litigation and
708 report such amount to the Court in order that pursuant to the stipulation made by the respondents in open Court in case the complainants prevailed, decree of restitution may be made.

Fourth. That the injunction herein granted be and it is hereby suspended for ten days from June 29th, 1905, that is to say, until and including July 8th, 1905, which time is allowed the respondents within which to apply for a supersedeas, should they or either of them desire to enter an appeal.

Fifth. That the costs of the suit to be taxed by the clerk be and are hereby awarded against the respondents.

Sixth. All matters and things not herein expressly adjudged are reserved by the Court, and any party to this proceeding may apply to the Court for further orders and directions at the foot of this decree.

Dated and signed this 8th day of July, 1905.

EMORY SPEER, U. S. Judge.

W. D. ELLIS,
W. A. WIMBISH,
of Counsel for Complainants.

(Indorsement): In Equity. Circuit Court U. S., Southern District Georgia, Western Division. H. H. Tift et al., vs. Southern Railway Company, et al. Final decree. Filed July 8th, 1905. Cecil Morgan, Deputy Clerk.

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709 ASSIGNMENT OF ERRORS.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Co., Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, Complainants,

vs.

Southern Railway, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga and St. Louis Railway Company, Seaboard Air Line Railway Company, Central of Georgia Railway Company, Macon & Birmingham Railway Company, Georgia Southern & Florida Railway Company, and the Southeastern Freight Association and Samuel F. Parrott, Chairman of Said Southeastern Freight Association, Defendants.

And now on this the 8th day of July, in the year of our Lord 1905, in the City of Macon and State of Georgia, came the defendants in the above entitled cause, viz., the Southern Railway Company (erroneously sued as the Southern Railway); the Atlantic Coast Line Railroad Company; the Louisville & Nashville Railroad Company; the Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company); the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company); the Central of Georgia Railway Company; the Georgia Southern & Florida Railway Company; the Macon & Birmingham Railway Company; the Southeastern Freight Association and Samuel C. Parrott, chairman of said Southeastern Freight Association, by Ed Baxter, their solicitor, and say that in the decree rendered by said Circuit Court in the above entitled cause on the 8th day of July, 1905, and in the record and proceedings in said cause in said Court,
710 there is manifest error, as set forth in this, their assignment of errors, which is filed simultaneously with their petition for appeal.

First.

The United States Circuit Court for the Southern District of Georgia erred in overruling the demurrer to the bill of complaint in the above entitled cause.

Second.

The United States Circuit Court for the Southern District of Georgia erred in not dismissing said bill of complaint because, in granting the prayer of said bill, the Court exercised the legislative function of making a rate; contrary to the provisions of the constitution of the United States, which provides that legislative, executive and judicial functions shall be kept separate.

Third.

The Circuit Court of the United States for the Southern District of Georgia erred in not dismissing said bill of complaint; because it was contrary to the constitution of the United States for a Court to exercise the legislative function of making rates.

Fourth.

The United States Circuit Court for the Southern District of Georgia erred in not dismissing said bill of complaint; because as pecuniary reparation was demanded in said bill, upon the allegation that the rates heretofore charged and collected from complainants were unreasonable in the past, such demand necessarily involves a trial by jury guaranteed by the constitution of the United States.

Fifth.

The Circuit Court of the United States for the Southern District of Georgia erred in not sustaining the demurrer and dismissing the bill of complaint, because it thereby denied the defendants the right to trial by jury.

711 Sixth.

The Circuit Court of the United States for the Southern District of Georgia erred in overruling the demurrer and sustaining the bill of complaint and the ground of multiplicity of suits being thereby prevented; because the complainants,

each and all of them, are separately interested in any amount which might be recovered by them respectively, and no one complainant is at all interested in any recovery which might be had by another complainant. Damages to be recovered in any suit will be different, and vary in amount as to each complainant. There is no common question of law involved common to each suit, and the Court should have found that equity is without jurisdiction so far as the ground of preventing a multiplicity of suits is concerned.

Seventh.

The Circuit Court of the United States for the Southern District of Georgia erred in overruling the demurrer to said bill of complaint on the theory that said bill involved a right asserted under the statute of the United States, entitled, "An act to regulate commerce and amendments thereto;" because the procedure prescribed in said statute for the enforcement of a right thereby granted has not been followed in this cause.

Eighth.

The Circuit Court of the United States for the Southern District of Georgia erred in sustaining the bill of complaint on the theory that the common law provided a remedy in the premises; because the necessary diversity of citizenship does not exist to give the Court jurisdiction to proceed under the common law.

Ninth.

The Circuit Court of the United States for the Southern District of Georgia erred in trying the cause as if
712 the complainants had an absolute right to trade, which could be protected by an injunction; whereas the Court should have held as a matter of law, that the right to trade is not an absolute right, but a qualified right subject to the right of all other citizens of the United States to trade subject to competition.

Tenth.

The Circuit Court of the United States for the Southern District of Georgia erred in overruling the demurrer and in sustaining said bill of complaint upon the theory as averred in said bill that defendants had violated the Federal law, to-wit, an act entitled "An act to protect trade and commerce

against unlawful restraints and monopolies;" because under the express provisions of said statute a private citizen has no right to invoke the remedy of injunction given by said act; the same being exclusively granted to the United States, at the instance of the attorney general of the United States.

Eleventh.

The Circuit Court of the United States for the Southern District of Georgia erred in overruling the demurrer and sustaining the bill; because some of the complainants are cititzens of the same State as some of the defendants.

Twelfth.

The Circuit Court of the United States for the Southern District of Georgia erred in not holding that complainants herein do not come into a court of equity with clean hands, inasmuch as they are members of the Georgia Saw Mill Association, the by-laws and constitution of which constitute a contract or combination in the form of trust or otherwise, in contravention of the act of Congress of July 2, 1890,
713 known as the anti-trust act, and that said complainants acting through said association, have curtailed the output of the product of yellow pine, with the purpose and effect of increasing its prices by the elimination of competition.

Thirteenth.

The Circuit Court of the United States for the Southern District of Georgia erred in restraining jurisdiction of said bill of complaint; because any decree based on the prayer of said bill would necessarily cause the court of equity to make contracts by and between the railway companies and the shippers of lumber, for the transportation of said lumber, instead of leaving the parties free to make their own contracts.

Fourteenth.

The Circuit Court of the United States for the Southern District of Georgia erred in decreeing "that the advance in rates on lumber complained of in the bill and made effective by defendant railway companies on June 22nd, 1903, from lumber shipping points within the State of Georgia to Cincinnati, Louisville, Evansville, Cairo and other points on the

Ohio river commonly designated as Ohio river points or crossings, was and is excessive, unreasonable and unjust and in violation of the provisions of the act of Congress known as the act to regulate commerce and the amendments thereto, and that the rates and charges, resulting from the said advance, are likewise excessive, unreasonable and unjust and in violation of the act to regulate commerce;" because said advance in rates, as well as the rates and charges resulting from said advance, are not excessive, unreasonable or unjust, nor are they in violation of any of the provisions of the act to regulate commerce or of the amendments thereto.

714

Fifteenth.

The Circuit Court of the United States for the Southern District of Georgia erred in decreeing "that an injunction do issue directed to the respondents, Southern Railway Company, Central of Georgia Railway Company, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway, Seaboard Air Line Railway, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, their officers, agents and servants, commanding and strictly enjoining them jointly and severally to discontinue and to wholly desist from maintaining or enforcing the said advance in rates made effective on the 22nd day of June, 1903, or either of them insofar as they apply to shipments of lumber from points in Georgia to Ohio river destinations and points basing thereon;" because no ground was shown either in the pleadings or in the proof to justify the issuance of an injunction enjoining said respondents jointly and severally to discontinue or to desist from maintaining or enforcing the said advance in rates made effective on the 22nd day of June, 1903, either insofar as applied to shipments of lumber from points in Georgia to Ohio river destinations or to points basing thereon.

Sixteenth.

Said Circuit Court of the United States for the Southern District of Georgia erred in decreeing that said injunction issue, enjoining said respondents from maintaining or enforcing said advance insofar as it applied to shipments of lumber from points in Georgia to Ohio river destinations; because the charges made on shipments of lumber from points in Georgia to Ohio river destinations, when shipments were destined to

points north of said river, are mere divisions of through rates, the justness of which neither the Interstate Commerce Commission nor said Circuit Court had any jurisdiction to determine.

715 Seventeenth.

The Circuit Court of the United States for the Southern District of Georgia erred in decreeing that said injunction issue enjoining said respondents from maintaining or enforcing said advance, insofar as it applied to points basing on Ohio river destinations; because the Interstate Commerce Commission only found that said advance in rates made effective on the 22nd day of June, 1903, from shipping points in Georgia to Ohio river crossings was unreasonable and unjust, and it did not find that the rates from shipping points in Georgia to points basing on Ohio river crossings were either unreasonable or unjust; nor was there any evidence either before the commission or the Court that would have justified such a finding.

Eighteenth.

The Circuit Court of the United States for the Southern District of Georgia erred in ordering that the pleadings and evidence in this cause be referred to the standing master, J. N. Talley, Esquire, "with instructions to ascertain the sum total of the increased rate paid by each of the complainants and other members of the Georgia Saw Mill Association to either or all of the defendant companies since the rate went into effect and to the end of the litigation, and report such amount to the Court in order that pursuant to the stipulation made by the respondents in open Court in case the complainants prevail, decree of restitution may be made," because:

(a) There was nothing either in the pleadings or in the evidence which justified the ordering of any reference at all.

(b) Instead of ordering the master to ascertain "the sum total of the increased rate" paid by each of the complainants, it should not have done more than to order him to ascertain the sum total of so much of the 2 cents per hundred pounds advance in rates made effective on the 22nd day of June, 1903, paid by each of the complainants as is unreasonable and unjust.

716 (c) No members of the Georgia Saw Mill Association, except the complainants, H. H. Tift, W. S.

West, J. Lee Ensign, J. S. Betts & Co., Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, came in or had themselves made parties to this cause prior to the rendition of said decree of July 8th, 1905, and, therefore, no reference should have been made to ascertain the amounts paid by such other members.

(d) Instead of ordering the master to report the sum total of the increased rate paid "to the end of the litigation," he should have been ordered to report any amount paid after the filing of the original bill in this cause.

(e) No stipulation was made by respondents in open Court or elsewhere that a decree of restitution may be made, except in the event that complainants finally prevail; and whether complainants shall finally prevail cannot be ascertained until the appeal made in this cause by defendants has been determined by the Appellate Court.

Nineteenth.

The United States Circuit Court for the Southern District of Georgia erred in decreeing that the costs of the suit to be taxed by the clerk be awarded against the respondents; because they should have been awarded against the complainants.

Twentieth.

The United States Circuit Court for the Southern District of Georgia erred in decreeing in effect that the Southeastern Freight Association is organized and operates under a contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations; whereas the articles of said association and the procedure of the members of said association are not in any wise violative of the act of Congress approved July 2, 1890, entitled "An act to protect
717 trade and commerce against unlawful restraints and monopolies."

Twenty-First.

The Circuit Court of the United States for the Southern District of Georgia erred in decreeing in effect that said advance of 2 cents per hundred pounds in the rates on lumber

charged by the defendants from shipping points in Georgia to the Ohio river crossings, made effective June 22nd, 1903, was made under circumstances and conditions which eliminated all competition between defendants, whereas the exact reverse is the truth in the case.

Twenty-Second.

The United States Circuit Court for the Southern District of Georgia erred in decreeing in effect that the purpose of said Southeastern Freight Association is to fix and control the rates to be charged by each and all of its members for the railway transportation of freight; whereas said association has no power whatever to fix or control the rates charged by any member of said association.

Twenty-Third.

The United States Circuit Court for the Southern District of Georgia erred in decreeing in effect that the action of said association "is more authoritative than the firman of the Sultan or the ukase of the Czar;" whereas said association has no authority whatever to make, fix or maintain rates to be charged by any member thereof.

718 Wherefore the above named defendants in the above entitled cause, viz., the Southern Railway Company (erroneously sued as the Southern Railway), the Atlantic Coast Line Railroad Company, the Louisville & Nashville Railroad Company, the Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company), the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company), the Central of Georgia Railway Company, the Georgia Southern & Florida Railway Company, the Macon & Birmingham Railway Company, the Southeastern Freight Association, and Samuel F. Parrott, chairman of said Southeastern Freight Association, pray that the said decree of said Circuit Court of the United States for the Southern District of Georgia, rendered in the above entitled cause on the 8th day of July, 1905, be reversed and that said Circuit Court be ordered to enter a decree dismissing the original bill filed in the above entitled cause in said Court by the said H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Co., Garbutt Lumber Company, Ala-

paha Lumber Company and Southern Pine Company against said defendants.

ED BAXTER,
Solicitor for Above Named Defendants and Appellants.
This 8th day of July, 1905.

(Indorsement): U. S. Circuit Court, Western Division, Southern Dist. of Georgia. #7. H. H. Tift, et al., vs. Southern Ry. Co., et al. Assignment of errors. Filed July 8, 1905. Cecil Morgan, Deputy Clerk.

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719 PETITION FOR SUPERSEDEAS.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Co., Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, Complainants,

vs.

Southern Railway, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway Company, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, the Southeastern Freight Association and Samuel F. Parrott, Chairman of Said Southeastern Freight Association, Defendants.

To the Honorable Judges of the Circuit Court of the United States, sitting in Equity, within and for the Southern District of Georgia, Western Division:

Your petitioners, the Southern Railway Company (erroneously sued by the name of the Southern Railway), Atlantic Coast line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company), Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company), Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, the Southeastern Freight Association, and Samuel F. Parrott, chairman of said Southeastern Freight Association,
720 defendants in the above entitled cause, respectfully show unto your Honors that on or about April 17th,

1903, H. H. Tift, W. S. West, J. Lee Ensign, J. E. Betts & Co., Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company filed a bill of complaint in said Court in behalf of themselves and all other members of the Georgia Saw Mill Association against your petitioners, alleging violation on the part of your petitioners of certain provisions of the act to regulate commerce, and praying among other things for an injunction restraining petitioners from putting into effect a certain proposed increase of rates on yellow pine lumber from points within to points without the State of Georgia; that said injunction be made perpetual and for general relief, all as fully shown in said bill as it remains of record in said Court.

Your petitioners further show that such proceedings were had in said Court under said bill of complaint that on the 8th day of July, 1905, it was decreed, among other things:

First. "The advance in rates on lumber complained of in the bill and made effective by defendant railway companies on June 22, 1903, from lumber shipping joints within the State of Georgia to Cincinnati, Louisville, Evansville, Cairo and other points on the Ohio river, commonly designated as Ohio river points or crossings, was and is excessive, unreasonable, unjust and in violation of the provisions of the act of Congress, known as the act to regulate commerce, and the amendments thereto, and that the rates and charges resulting from the said advance are likewise excessive, unreasonable, unjust and in violation of the act to regulate commerce."

Second. "That an injunction do issue directed to the respondents, Southern Railway Company, Central of Georgia Railway Company, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway, Seaboard Air Line Railway, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, their officers, agents and servants, commanding and strictly enjoining them jointly and severally to discontinue and to wholly desist from maintaining or enforcing the said advance in rates made effective on the 22nd day of June, 1903, or either of them insofar as they apply to shipments of lumber from points in Georgia to Ohio river destinations and points basing thereon."

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Third. "That an order be taken referring to the standing master of this Court, J. N. Talley, Esq., the pleadings and evi-

dence in this cause with instructions to ascertain the sum total of the increased rate paid by each of the complainants and other members of the Georgia Saw Mill Association to either or all of the defendant companies since the rate went into effect, and to the end of the litigation, and report such amount to the Court in order that pursuant to the stipulation made by the respondents in open Court in case complainants prevail, decree of restitution may be made."

Fourth. "That the injunction herein granted be and it is hereby suspended for ten days from June 29, 1905, that is to say, until and including July 9th, 1905, which time is allowed the respondents within which to apply for a supersedeas, should they or either of them desire to enter an appeal."

Fifth. "That the cost of the suit, to be taxed by the clerk, be and are hereby awarded against the respondents."

Sixth. "All matters and things not herein expressly adjudged are reserved by the Court and any party to this proceeding may apply to the Court for further orders and directions at the foot of this decree."

Said decree of this Court will necessitate a reduction in rates of 2 cents per hundred pounds on all yellow pine lumber carried by any of your petitioners from any of
722 the lumber shipping points within the State of Georgia to Cincinnati, Louisville, Evansville, Cairo and other points on the Ohio river, commonly designated as Ohio river points or crossings, and to points basing on said Ohio river points or crossings. And such reductions will cause a loss in revenue to petitioners of $132,000.00 per annum; which loss will continue so long as said reductions shall remain in force.

Your petitioners further show that they desire to pray an appeal from the said decrees rendered by this Court in the above entitled cause on the 8th day of July, 1905, to the United States Circuit Court of Appeals for the Fifth Circuit; and petitioners have ready to be filed with the clerk of this Court their petition for appeal, together with an assignment of errors, and appeal bond to be approved by the Court.

Your petitioners submit that if they should put in said reduced rates on all yellow pine lumber carried by any of them from any of the lumber shipping points within the State of Georgia to Cincinnati, Louisville, Evansville, Cairo and

other points on the Ohio river, commonly designated as Ohio river points or crossings as is, in effect, ordered by said decree, and should accept the same for the transportation of said lumber between said points of destination and shipment, they could not, in case the said decree of this Court should be reversed, recover back from shippers or consignees the difference between such reduced rates and your petitioners' present rates from said points of shipment to said points of destination, or if your petitioners should have the legal right to recover back said differences it will be necessary for petitioners to institute a multiplicity of suits against the numerous consignors or consignees that the cost of such litigation would amount to more than your petitioners could ultimately recover; and therefore your petitioners aver that the loss which they would sustain, pending their said appeal, by such reduction in
723 their rates on yellow pine lumber, as has been, in effect, ordered by said decree, would be irremediable.

Your petitioners aver that if they should make the reductions in said rates ordered by said decree, it would be difficult, if not impossible, to restore the present rates if said decree should be reversed.

Petitioners are willing, and here offer to keep an accurate account of each and every shipment of yellow pine lumber made from any of the lumber shipping points within the State of Georgia to Cincinnati, Louisville, Evansville, Cairo and other points on the Ohio river, commonly designated as Ohio river points or crossings, and to points basing on the Ohio river points or crossings, which accounts will show the dates of the shipments, the names of the consignors and consignees, the weight of lumber carried and the rate of freight charged; and to make reports to this Court of such shipments as often as the Court may so order; and your petitioners also hereby offer to execute a bond with sufficient surety to be approved by the Court, payable to the United States of America, or to such other payee as the Court may direct in such reasonable penalty as the Court may order, conditioned for the prompt payment by your petitioners to such persons or person as may be legally entitled thereto, such amounts as your petitioners or any of them may collect pending said appeal over and above the reduced rates ordered by said decree; or said bond may be conditioned in such other manner as this Honorable Court may deem just and equitable to protect the interests of shippers and consignees pending said appeal.

The premises considered, your petitioners pray that the in-

junction ordered by said decree be superseded; that the execution of said decree be suspended, and that your petitioners be authorized to continue to charge their present
724 rates on yellow pine lumber on shipments from points in Georgia to Ohio river destinations and points basing thereon; pending your petitioners' said appeal.

As in duty bound your petitioners will ever pray, etc.

This is the first application for a supersedeas of said injunction, or for a suspension of the execution of said decree.

ED BAXTER, Solicitor for Petitioner.

(Indorsement): U. S. Circuit Court, Western Division, So. Dist. of Georgia. #7. H. H. Tift, et al., vs. Southern Railway Company, et al. Petition for supersedeas. Filed July 8, 1905. Cecil Morgan, Deputy Clerk.

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725 ORDER SUSPENDING EXECUTION OF DECREE AND SUPERSEDING INJUNCTION.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Co., Garbutt Lumber Company, Alapaha Lumber Company, and Southern Pine Company, Complainants,

vs.

Southern Railway, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway Company, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, the Southeastern Freight Association nad Samuel F. Barrott, Chairman of Said Southeastern Freight Association, Defendants.

This cause came on further to be heard on this 8th day of July, 1905, before the Honorable Emory Speer, Judge, etc., upon the previous proceedings, and the petition filed herein on the 8th day of July, 1905, by the defendants, the Southern Railway Company, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway, Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida

Railway Company, Macon & Birmingham Railway Company, the Southeastern Freight Association and Samuel F. Parrott, Chairman of said Southeastern Freight Association, praying for the suspension of the execution of the decree rendered herein on the 8th day of July, 1905, and for a supersedeas of the injunction ordered in said decree, pending the appeal which said defendants desire to pray from said decree.

And it appearing to the Court that said defendants may be subjected to irreparable injury and to a multiplicity of suits if said decree should be executed and said injunction should be enforced pending said appeal, it is ordered,
726 adjudged and decreed by the Court, that pending said appeal, said defendants keep an accurate account of each and every shipment of yellow pine lumber made from any of the lumber shipping points within the State of Georgia to Cincinnati, Louisville, Evansville, Cairo and other points on the Ohio river, commonly designated as Ohio river points or crossings, and to points basing on said Ohio river points and crossings, which accounts shall show the dates of shipment, the names of consignors and consignees, the weight of lumber carried and the rate of freight charged, and make reports thereof to this Court once every three months pending said appeal, and that defendants execute bond with sufficient surety to be approved by the Court payable to the United States of America, for the benefit of whom it may concern, in the penalty of ($500,000) five hundred thousand dollars, conditioned that if said defendants fail to prosecute said appeal to effect they will promptly pay to said person or persons as may be legally entitled thereto such amounts as said defendants or any of them may collect, pending said appeal, from such person or persons for the transportation of yellow pine lumber from any of the lumber shipping points within the State of Georgia to Cincinnati, Louisville, Evansville, Cairo and other points on the Ohio river points, commonly designated as Ohio river points and crossings, and to points basing thereon, over and above the reduced rates from said points of shipment to said points of destination as ordered by said decree.

And thereupon said defendants executed said bond, and the same was approved by the Court; and it was ordered, adjudged and decreed by the Court that the execution of said decree be suspended and that said injunction be superseded pending said appeal.

This 8th day of July, 1905.

EMORY SPEER,
Judge.

(Indorsement:) U. S. Circuit Court, Western Division, So. Dist. of Georgia. H. H. Tift, et al., vs. Southern Railway Company, et al. Order suspending execution of decree & superseding injunction. Filed July 8th, 1905, 11 A. M. Cecil Morgan, Deputy Clerk.

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727 PETITION FOR APPEAL.

United States of America.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, Complainants,

vs.

Southern Railway, Atlantic Coast Line Railway Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway Company, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, and Southern Freight Association, Defendants.

To the Honorable Judges of said Court:

Your petitioners, Southern Railway Company, (erroneously sued by the name of the Southern Railway), Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company,) Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company), Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, The Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, defendants, in the above entitled cause conceiving themselves aggrieved by the final decree of this Court rendered in favor of
728 the complainants, on the 8th day of July, 1905, in the above stated cause, do hereby appeal from said

decree to the United States Circuit Court of Appeal for the Fifth Circuit for the reasons specified in the Assignment of Errors which is filed herewith.

Wherefore, your petitioners pray for an order that said appeal may be allowed, and that a transcript of the record, proceedings and papers upon which said decree was made duly authenticated may be sent to the United States Circuit Court of Appeal for the Fifth Circuit.

ED BAXTER,
Solicitor and special counsel for said petitioners.

(Indorsement:) U. S. Circuit Court, Western Division, So. Dist. of Georgia. No. 7. H. H. Tift, et al., vs. Southern Railway Co., et al. Petition for appeal. Filed July 8th, 1905. Cecil Morgan, Deputy Clerk.

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APPEAL BOND.

United States of America.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, Complainants,

vs.

Southern Railway, Atlantic Coast Line Railroad Company, Louisville and Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway Company, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, and the Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Assication, Defendants.

Know all men by these presents, that we, Southern Railway Company (erroneously sued as the Southern Railway), Atlantic Coast Line Railroad Company, the Louisville & Nashville Railroad Company, the Nashville, Chattanooga and Saint Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company), the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company), the Central of Georgia Railway Company, the Georgia Southern & Florida Railway Company, the Macon & Birmingham Railway Company, the Southeastern Freight Association and Samuel F. Parrott, Chairman of said Southeastern Freight Association, as principals, and The United States Fidelity and Guaranty Company of Baltimore, Maryland, as surety; are held and firmly bound unto the above named H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company in the sum of five hundred dollars to be

730 paid to the said H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, for the payment of which well and truly to be made, we bind ourselves, and each of us, our and each of our successors, heirs,

executors and administrators, jointly and severally, firmly by these presents.

Sealed with our seals and dated this 8th day of July, in the year of our Lord one thousand nine hundred and five.

Whereas, the above named Southern Railway Company (erroneously sued as the Southern Railway), Atlantic Coast Line Railroad Company, the Louisville and Nashville Railroad Company, the Nashville, Chattanooga and Saint Louis Railway (erroneously sued as the Nashville, Chattanooga and Saint Louis Railway Company), the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company), the Central of Georgia Railway Company, the Georgia Southern & Florida Railway Company, the Macon & Birmingham Railway Company, the Southeastern Freight Association and Samuel F. Parrott, chairman of said Southeastern Freight Association have prosecuted an appeal to the United States Circuit Court of Appeals for the Fifth Circuit to reverse the decree rendered in the above entitled cause by the United States Circuit Court for the Southern District of Georgia at Macon, on the 8th day of July, 1905.

Now therefore, the condition of this obligation is such that if the above named Southern Railway Company (erroneously sued as the Southern Railway), Atlantic Coast Line Railroad Company, the Louisville and Nashville Railroad Company, the Nashville, Chattanooga and Saint Louis Railway (erroneously sued as the Nashville, Chattanooga and Saint Louis Railway Company), the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company), the Central of

Georgia Railway Company, the Georgia Southern & Florida Railway Company, the Macon and Birmingham Railway Company, the Southeastern Freight Association, and
731 Samuel F. Parrott, chairman of said Southeastern Freight Association, shall prosecute said appeal to effect, and answer all damages and costs if they fail to make said appeal good, then this obligation shall be void, otherwise the same shall remain in full force and virtue.

[Seal] SOUTHERN RAILWAY COMPANY,
By ED BAXTER, Its Attorney and Solicitor in Fact.

[Seal] ATLANTIC COAST LINE RAILROAD COMPANY.
By ED BAXTER, Its Solicitor and Attorney in Fact.

[Seal] LOUISVILLE AND NASHVILLE RAILROAD COMPANY.
By ED BAXTER, Its Attorney and Solicitor in Fact.

[Seal] NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY.
By ED BAXTER, Its Solicitor and Attorney in Fact.

[Seal] SEABOARD AIR LINE RAILWAY.
By ED BAXTER, Its Solicitor and Attorney in Fact.

[Seal] CENTRAL OF GEORGIA RAILWAY COMPANY.
By ED BAXTER, Its Solicitor and Attorney in Fact.

[Seal] GEORGIA SOUTHERN & FLORIDA RAILWAY COMPANY.
By ED BAXTER, Its Solicitor and Attorney in Fact.

[Seal] MACON AND BIRMINGHAM RAILWAY COMPANY.
By ED BAXTER, Its Solicitor and Attorney in Fact.

[Seal] SOUTHEASTERN FREIGHT ASSOCIATION.
By ED BAXTER, Its Solicitor and Attorney in Fact.

732 [Seal] SAMUEL F. PARROTT,
Chairman of said Association.
By ED BAXTER, His Solicitor and Attorney in Fact.

[Seal] THE UNITED STATES FIDELITY & GUARANTY CO.,
Surety.
By C. B. WHITE, Attorney in Fact:
By JOHN I. HALL, Attorney in Fact:

Signed, sealed and delivered, taken and acknowledged before me, and approved by me, this 8th day of July, 1905, at 12 o'clock M.

EMORY SPEER,
U. S. District Judge.

(Indorsement:) U. S. Circuit Court, Western Division, Southern Dist. of Georgia, No. 7. H. H. Tift, et al., vs. Southern Railway Co., et al. Appeal Bond Approved. Filed July 8, 1905. 12 M. Cecil Morgan, Deputy Clerk.

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733 ORDER GRANTING APPEAL.

United States of America.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, Complainants,

vs.

Southern Railway, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway Company, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, and the Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Assication, Defendants.

The above named defendants, the Southern Railway Company (erroneously sued as the Southern Railway), Atlantic

Coast Line Railroad Company, the Louisville & Nashville Railroad Company, the Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company), the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company), the Central of Georgia Railway Company, the Georgia Southern & Florida Railway Company, the Macon and Birmingham Railway Company, the Southeastern Freight Association and Samuel F. Parrott, chairman of said Southeastern Freight Association, pray an appeal from the decree rendered by this Court in the above entitled cause on the 8th day of July, 1905, to the United States Circuit Court of Appeal for the Fifth Circuit, and said defendants having filed with the clerk of this Court their petition for appeal, together with an assignment of errors and an appeal bond, which bond has been duly approved by the Court.

734 It is ordered, adjudged and decreed by the Court that said appeal be granted and allowed, and that a transcript of the record and proceedings and papers upon which said appeal was made, duly authenticated be sent to the United States Circuit Court of Appeal for the Fifth Circuit.

The foregoing is hereby approved for entry this 8th day of July, 1905.

EMORY SPEER,
U. S. Judge.

(Indorsement:) U. S. Circuit Court, Western Division, So. Dist. of Georgia. No. 7. H. H. Tift, et al., vs. Southern Railway Co., et al. Order Granting Appeal. Filed July 8th, 1905, 12 M. Cecil Morgan, Deputy Clerk.

736 SPECIAL BOND.

In the Circuit Court of the United States for the Southern District of Georgia, Western Division.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, Complainants,

vs.

Southern Railway, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville Chattanooga & St. Louis Railway Company, Seaboard Air Line Railway Company, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, and the Southeastern Freight Association, and Samuel F. Parrott, Chairman of the said Southeastern Freight Association, Defendants.

Know all men by these presents, that we, the Southern Railway Company, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway, Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, the Southeastern Freight Association and Samuel F. Parrott, chairman of said Southeastern Freight Association, as principals, and the American Surety Company of New York, and the United States Fidelity & Guaranty Company of Baltimore, as sureties, are held and firmly bound unto the United States of America, for the benefit of whom it may concern, in the sum of five hundred thousand dollars, to be paid to the United States of America, for the benefit of whom it may concern, for the payment of which to be well and truly to be made, we bind ourselves, and each of us, our and each of our successors, heirs, executors and administrators, jointly and severally, firmly by these presents.

Sealed with our seals, and dated the 8th day of July, in the year of our Lord, nineteen hundred and five.

737 Whereas, the above named, the Southern Railway Company, the Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway, Seaboard Air

Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, the Southeastern Freight Association, and Samuel F. Parrott, chairman of said Southeastern Freight Association, have filed a petition in the above entitled cause, praying for a suspension of the execution of the decree rendered on the 8th day of July, 1905, in said cause in said Court, and for a supersedeas of the injunction ordered by said decree, pending the appeal which said defendants desire to pray from said decree:

Now, therefore, the condition of this obligation is such that if the above named Southern Railway Company, Atlantic Coast Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louisville Railway, Seaboard Air Line Railway, Central of Georgia Railway Company, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, Southeastern Freight Association, and Samuel F. Parrott, chairman of said Southeastern Freight Association, in the event they fail to prosecute said appeal to effect they will promptly pay to such person or persons as may be legally entitled thereto such amount as said defendants, or any of them may collect, pending said appeal from such person or persons, for the transportation of yellow pine lumber, from any of the lumber shipping points within the State of Georgia, to Cincinnati, Louisville, Evansville, Cairo, and other points on the Ohio river, commonly designated as Ohio river points or crossings, and to points basing thereon over and above the reduced rates from said points of shipment to said points of destination as ordered in said decree, then this obligation shall be void, otherwise the
738 same shall remain in full force and virtue.

[Seal] THE SOUTHERN RAILWAY COMPANY.
By ED BAXTER, Solicitor.

[Seal] THE ATLANTIC COAST LINE RAILROAD COMPANY.
By ED BAXTER, Solicitor.

[Seal] LOUISVILLE & NASHVILLE RAILROAD COMPANY.
By ED BAXTER, Solicitor.

[Seal] NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY.
By ED BAXTER, Solicitor.

[Seal] SEABOARD AIR LINE RAILWAY.
By ED BAXTER, Solicitor.

[Seal] CENTRAL OF GEORGIA RAILWAY COMPANY.
By ED BAXTER, Solicitor.

[Seal] GEORGIA SOUTHERN & FLORIDA RAILWAY COMPANY.
By ED BAXTER, Solicitor.

[Seal] MACON AND BIRMINGHAM RAILWAY COMPANY.
By ED BAXTER, Solicitor.

[Seal] SOUTHEASTERN FREIGHT ASSOCIATION.
By ED BAXTER, Solicitor.
SAMUEL F. PARROTT,
Chairman of the Southeastern Freight Association.
By ED BAXTER, Solicitor.

[Seal] THE UNITED STATES FIDELITY & GUARANTY CO.,
By C. B. WHITE, Attorney in Fact.
By JOHN I. HALL, Attorney in Fact.
Surety.

[Seal] AMERICAN SURETY COMPANY OF NEW YORK.
By J. J. COBB, Resident Vice-Pres't.

Attest: GEO. S. JONES,
Resident Assistant Secretary.

Sealed and delivered, taken and acknowledged before me, and approved by me, this 8th day of July, at 11:00 o'clock.

EMORY SPEER,
U. S. District Judge.

Filed July 8th, 1905, 11 A. M.

CECIL MORGAN,
Deputy Clerk.

United States of America,
Southern District of Georgia.

I, Tomlinson F. Johnson ,clerk of the Circuit Court of the United States for the Southern District of Georgia, do hereby certify that the writings and printing annexed to this certificate are a true and correct and complete transcript of the record as directed by law to be made, and copies of the proofs and of such entries and papers of file as are necessary on the hearing of the appeal in the equity cause of H. H. Tift, et al., vs. The Southern Railway, and others. late pending in said Circuit Court for the Western Division of the Southern District of Georgia, and appealed by the respondents to the Circuit Court of Appeals for the Fifth Circuit, as the same remains of file and of record in my office.

Witness my official signature and the seal of the said Court at Macon, Ga., this 7th day of August, A. D. 1905, in the year of the Independence of the United States the one hundred and thirtieth.

[Seal]

TOMLINSON F. JOHNSON,
Clerk.

By CECIL MORGAN,
Deputy Clerk.

CITATION ON APPEAL.

The United States of America, ss.

To H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company:

You are hereby cited and admonished to be and appear at the Court room of the United States Court of Appeals for the Fifth Circuit, at New Orleans, Louisiana, on the 7th day of August, 1905, pursuant to an appeal allowed and granted by the Circuit Court of the United States for the Southern District of Georgia, in the case of H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company, and Southern Pine Company, as appellees, and the Southern Railway Company (erroneously sued as the Southern Railway), the Atlantic Coast Line Railroad Company, the Louisville & Nashville Railroad Company, the Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company), the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company), the Central of Georgia Railway Company, the Georgia Southern & Florida Railway Company, the Macon & Birmingham Railway Company, the Southeastern Freight Association and Samuel F. Parrott, Chairman of said Southeastern Freight Association, as appellants, to show cause, if any there be, why the decree of said Circuit Court of the United States for the Southern District of Georgia, rendered on the 8 day of July, 1905, should not be corrected and speedy justice should not be done to the parties on that behalf.

Witness the Honorable Melville W. Fuller, Chief Justice of the United States, this 8 day of July, in the year of our Lord 1905.

EMORY SPEER,
U. S. Judge.

Due and legal personal service of this citation and appeal accepted and acknowledged, and further service and notice of appeal is hereby waived.

This 12th day of July, 1905.

ELLIS, WIMBISH & ELLIS,
Solicitors for Appellees.

Filed July 13, 1905.

CECIL MORGAN,
Deputy Clerk.

The foregoing has the following indorsements, to-wit:
No. 1495. Filed 14 day of Aug., 1905. Charles H. Lednum, Clerk of the United States Circuit Court of Appeals.
Filed July 8, 1905, 12 M. Cecil Morgan, Deputy Clerk.

In the United States Circuit Court of Appeals for the Fifth Circuit.

Southern Railway Company, et al.,
vs.
H. H. Tift, et al.

In this cause, owing to the inability to print the record sufficiently early to enable counsel to brief it properly for the term of this Court to be held next at Atlanta, Georgia, it is hereby stipulated that this cause be not assigned for hearing at the term of this Court next to be held at Atlanta, beginning on the first Monday in October, 1905, but the Clerk is directed to assign the same for hearing at the session of this Court to be held next at New Orleans, Louisiana, and for that purpose an order may be made by this Court transferring this cause to New Orleans, Louisiana.

ED. BAXTER,
Attorney for Appellants.
W. A. WIMBISH,
ELLIS, WIMBISH & ELLIS,
Attorney for Appellees.

The foregoing has the following indorsements, to-wit: No. 1495. Southern Railway Co., et al., vs. H. H. Tift, et al. Stipulation to transfer to New Orleans. U. S. Circuit Court of Appeals. Filed Aug. 16, 1905. Charles H. Lednum, Clerk.

BY ROUND CLOSE IN CENTER BOOK TOO LARGE FOR FILM

November Term, 1905.

Feb. 28, 1906.

(Extract from Minutes.)

Southern Ry. Co., et al.

vs. No. 1495.

H. H. Tift, et al.

On this day this cause was regularly called, and after argument by Ed Baxter, Esq., for appellants, and W. A. Wimbish for appellees, was continued until to-morrow.

November Term, 1905.

March 1, 1906.

(Extract from Minutes.)

Southern Railway Co., et al.,

vs. No. 1495.

H. H. Tift, et al.

On this day this cause was called for further hearing, and after argument by W. D. Ellis, Esq., for appellees, and Ed Baxter, Esq., for appellants, was submitted to the Court.

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Filed 15 day of Dec., 1906.

CHARLES H. LEDNUM,
Clerk of the United States Circuit Court of Appeals.

United States Circuit Court of Appeals, Fifth Circuit.

Southern Railway, et al.,
v.
H. H. Tift, et al.

Appeal from the Circuit Court of the United States, Southern District of Georgia.

Before PARDEE, McCORMICK and SHELBY, Circuit Judges.

By the COURT:

A majority of the Judges being of opinion that this case was correctly ruled and decided in the Circuit Court, the decree of that Court is affirmed.

November Term, 1906.

(Extract from Minutes.)

Dec. 15, 1906.

Southern Railway Company, et al.,
vs. No. 1495.
H. H. Tift, et al.

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the Southern District of Georgia, and was argued by counsel.

On consideration whereof, it is now here ordered, adjudged and decreed by this Court that the decree of the said Circuit Court in this cause be, and the same is hereby, affirmed.

It is further ordered, adjudged and decreed that the appellants, Southern Railway Company; Atlantic Coast Line Railroad Company; Louisville & Nashville Railroad Company; Nashville, Chattanooga & St. Louis Railway; Seaboard Air Line Railway; Central of Georgia Railway Company; Georgia Southern & Florida Railway Company; Macon and Birming-

ham Railway Company; Southeastern Freight Association; Samuel F. Parrott, Chairman Southeastern Freight Association, and the surety on the appeal bond herein, The United States Fidelity & Guaranty Company, be condemned to pay the costs of this cause in this Court, for which execution may be issued out of said Circuit Court.

PETITION FOR APPEAL.

In the United States Circuit Court of Appeals for the Fifth Circuit.

October Term, 1906.

Southern Railway: Atlantic Coast Line Railroad Company; Louisville & Nashville Railroad Company; Nashville, Chattanooga & St. Louis Railway Company; Seaboard Air Line Railway Company; Central of Georgia Railway Company; Georgia Southern & Florida Railway Company; Macon & Birmingham Railway Company, and the Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association,

Appellants,

vs.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company,

Appellees.

To the Honorable Judges of said Court:

Your petitioners, Southern Railway Company (erroneously sued as the Southern Railway); Atlantic Coast Line Railroad Company; Louisville & Nashville Railroad Company; Nashville, Chattanooga & St. Louis Railway (erroneosuly sued as the Nashville, Chattanooga & St. Louis Railway Company); Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company); Central of Georgia Railway Company; Georgia Southern & Florida Railway Company; Macon & Birmingham Railway Company; The Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, appellants in the above entitled cause, conceiving themselves aggrieved by the final decree of this Court rendered on the 15th day of December, 1906, in

favor of appellees in the above entitled cause, do hereby appeal from said decree to the Supreme Court of the United States, for the reasons specified in the assignment of errors, which is filed herewith.

Wherefore, your petitioner pray for an order that said appeal may be allowed, and that a transcript of the record, proceedings and papers upon which said decree was made, duly authenticated, may be sent to the Supreme Court of the United States.

ED BAXTER,
Solicitor and Special Counsel for said Petitioners.

The foregoing has the following indorsements, to-wit: U. S. Cir. Ct. of Appeals. 1495. Southern Railway Co., et al., appellants, vs., H. H. Tift, et al., appellees. Petition for appeal. U. S. Circuit Court of Appeals. Filed Dec. 28, 1906. Charles H. Lednum, Clerk.

ORDER GRANTING APPEAL.

In the United States Circuit Court of Appeals for the Fifth Circuit.

October Term, 1906.

Southern Railway; Atlantic Coast Line Railroad Company; Louisville & Nashville Railroad Company; Nashville Chattanooga & St. Louis Railway Company; Seaboard Air Line Railway Company; Central of Georgia Railway Company; Georgia Southern & Florida Railway Company; Macon & Birmingham Railway Company, and the Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association,

Appellants,

vs.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company,

Appellees.

The above named appellants, Southern Railway Company (erroneously sued as the Southern Railway); Atlantic Coast

Line Railroad Company; Louisville & Nashville Railroad Company; Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company); Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company); Central of Georgia Railway Company; Georgia Southern & Florida Railway Company; Macon & Birmingham Railway Company; Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, pray an appeal from the decree rendered by this Court in the above entitled cause, on the 15th day of December, 1906, to the Supreme Court of the United States, and said appellants having filed with the Clerk of this Court their petition for appeal, together with an assignment of errors and an appeal bond, which bond has been duly approved by the Court;

It is ordered, adjudged and decreed by the Court that said appeal be granted and allowed, and that a transcript of the record and proceedings and papers upon which said decree was made, duly authenticated, be sent to the Supreme Court of the United States.

The foregoing is hereby approved for entry this 28th day of December, 1906.

DON A. PARDEE,
Circuit Judge.

The foregoing has the following indorsements, to-wit: U. S. Cir. Ct. of Appeals. 1495. Southern Railway Co., et al., appellants, vs. H. H. Tift, et al., appellees. Order granting appeal. U. S. Circuit Court of Appeals. Filed Dec. 28, 1906. Charles H. Lednum, Clerk.

ASSIGNMENT OF ERRORS.

In the United States Circuit Court of Appeals, Fifth Circuit.

Southern Railway; Atlantic Coast Line Railroad Company; Louisville & Nashville Railroad Company; Nashville, Chattanooga & St. Louis Railway Company; Seaboard Air Line Railway Company; Central of Georgia Railway Company; Macon & Birmingham Railway Company; Georgia Southern & Florida Railway Company, and The Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association,

Appellants,

vs.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company, and Southern Pine Company,

Appellees.

And now on this the 28th day of December, in the year of our Lord 1906, came the appellants in the above entitled cause, viz: the Southern Railway Company (erroneously sued as the Southern Railway); the Atlantic Coast Line Railroad Company; the Louisville & Nashville Railroad Company; the Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company); the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company); the Central of Georgia Railway Company; the Georgia Southern & Florida Railway Company; the Macon & Birmingham Railway Company; the Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, by Ed. Baxter, their solicitor, and say that in the decree rendered by said Circuit Court of Appeals in the above entitled cause on the 15th day of December, 1906, and in the record and proceedings in said cause in said Court, there is manifest error, as set forth in this, their assignment of errors, which is filed simultaneously with their petition for appeal.

I.

That said Circuit Court of Appeals erred in affirming the decree rendered in the above entitled cause on July 8th, 1905, by the Circuit Court of the United States for the Southern District of Georgia, Western Division.

II.

That said Circuit Court of Appeals erred in not reversing said decree rendered in said cause, July 8th, 1905, by said Circuit Court of the United States for the Southern District of Georgia.

III.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said bill of complaint be dismissed, for the reason that in granting the prayer of said bill, said Circuit Court exercised the legislative function of making a rate; contrary to the provisions of the Constitution of the United States, which provides that legislative, executive and judicial functions shall be separate.

IV.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said bill of complaint be dismissed for the reason that it was contrary to the Constitution of the United States for a Court to exercise the legislative function of making rates.

V.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said bill of complaint be dismissed for the reason that as pecuniary reparation was demanded in said bill, upon the allegation that the rates heretofore charged and collected from complainants were unreasonable in the past, such demand necessarily involves a trial by jury, guaranteed by the Constitution of the United States.

VI.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said bill of complaint be dismissed for the reason that said Circuit Court erred in not sustaining the demurrer and dismissing the bill of complaint, thereby denying to the defendants the right to trial by jury.

VII.

That said Circuit Court of Appeals erred because it failed

to adjudge and decree that said bill of complaint be dismissed for the reason that said Circuit Court erred in overruling the demurrer, and sustaining the bill of complaint, on the ground of multiplicity of suits being thereby prevented; because the complainants, each and all of them, are separately interested in any amount which might be recovered by them respectively; and no one complainant is at all interested in any recovery which might be had by another complainant. Damages to be recovered in any suit will be different, and vary in amount as to each complainant. There is no common question of law involved common to each suit, and the Court should have found that equity is without jurisdiction, so far as the ground of preventing a multiplicity of suits is concerned.

VIII.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said bill of complaint be dismissed for the reason that said Circuit Court erred in overruling the demurrer to said bill of complaint, on the theory that said bill involved a right asserted under the statute of the United States, entitled, "An Act to regulate commerce and amendments thereto," because the procedure prescribed in said statute for the enforcement of a right thereby granted has not been followed in this cause.

IX.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said Circuit Court erred in sustaining the bill of complaint on the theory that the common law provided a remedy in the premises; for the reason that the necessary diversity of citizenship does not exist to give the Court jurisdiction to proceed under the common law.

X.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said Circuit Court erred in trying the cause as if the complainants had an absolute right to trade, which could be protected by an injunction; whereas, the Court should have held, as a matter of law, that the right to trade is not an absolute right, but a qualified right, subject to the right of all other citizens of the United States to trade, subject to competition.

XI.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said bill of complaint be dismissed for the reason that said Circuit Court erred in overruling the demurrer and in sustaining said bill of complaint upon the theory, as averred in said bill, that defendants had violated the Federal law, to-wit: an act entitled, "An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies," because, under the express provisions of said statute, a private citizen has no right to invoke the remedy of injunction given by said act; the same being exclusively granted to the United States, at the instance of the Attorney General of the United States.

XII.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said bill of complaint be dismissed for the reason that said Circuit Court erred in overruling the demurrer and sustaining the bill; because some of the complainants are citizens of the same state as some of the defendants.

XIII.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said bill of complaint be dismissed for the reason that said Circuit Court erred in not holding that complainants herein do not come into a Court of Equity with clean hands, inasmuch as they are members of the Georgia Saw Mill Association, the by-laws and constitution of which constitute a contract or combination in the form of trust or otherwise, in contravention of the Act of Congress of July 2, 1890, known as the Anti-Trust Act, and that said complainants, acting through said association, have curtailed the output of the product of yellow pine, with the purpose and effect of increasing its prices by the elimination of competition.

XIV.

That said Circuit Court of Appeals erred because it failed to adjudge and decree that said bill be dismissed for the reason that the said Circuit Court erred in retaining jurisdiction of said bill of complaint; because any decree based on the prayer of said bill would necessarily cause the Court of Equity to make contracts by and between the railway companies and the shippers of lumber, for the transportation of said

lumber, instead of leaving the parties free to make their own contracts.

XV.

That said Circuit Court of Appeals erred in affirming said decree of said Circuit Court which decreed "that the advance in rates on lumber complained of in the bill and made effective by defendant railway companies on June 22nd, 1903, from lumber shipping points within the State of Georgia to Cincinnati, Louisville, Evansville, Cairo and other points on the Ohio River, commonly designated as Ohio River points or crossings, was and is excessive, unreasonable and unjust, and in violation of the provisions of the Act of Congress known as the Act to Regulate Commerce and the amendments thereto, and that the rates and charges resulting from the said advance are likewise excessive, unreasonable and unjust, and in violation of the Act to Regulate Commerce"; because said advance in rates, as well as the rates and charges resulting from said advance, are not excessive, unreasonable or unjust, nor are they in violation of any of the provisions of the Act to Regulate Commerce or of the amendments thereto.

XVI.

That said Circuit Court of Appeals erred in affirming said decree of said Circuit Court which decreed "that an injunction do issue, directed to the respondents, Southern Railway Company, Central of Georgia Railway Company, Atlantic Coast Line Railroad Company, Louisville & Nashville Railroad Company, Nashville, Chattanooga & St. Louis Railway, Seaboard Air Line Railway, Georgia Southern & Florida Railway Company, Macon & Birmingham Railway Company, their officers, agents and servants, commanding and strictly enjoining them jointly and severally to discontinue and to wholly desist from maintaining or enforcing the said advance in rates made effective on the 22nd day of June, 1903, or either of them, in so far as they apply to shipments of lumber from points in Georgia to Ohio River destinations and points basing thereon"; because no ground was shown, either in the pleadings or in the proof, to justify the issuance of an injunction enjoining said respondents, jointly and severally, to discontinue or to desist from maintaining or enforcing the said advance in rates made effective on the 22nd day of June, 1903, either in so far as applied to shipments of lumber from points in Georgia to Ohio River destinations or to points basing thereon.

XVII.

That said Circuit Court of Appeals erred in affirming said decree of said Circuit Court which decreed that said injunction issue, enjoining said respondents from maintaining or enforcing said advance in so far as it applied to shipments of lumber from points in Georgia to Ohio River destinations; because the charges made on shipments of lumber from points in Georgia to Ohio River destinations, when shipments are destined to points north of said river, are mere divisions of through rates, the justness of which neither the Interstate Commerce Commission nor said Circuit Court had any jurisdiction to determine.

XVIII.

That said Circuit Court of Appeals erred in affirming said decree of said Circuit Court which decreed that said injunction issue, enjoining said respondents from maintaining or enforcing said advance, in so far as it applied to points basing on Ohio River destinations; because the Interstate Commerce Commission only found that said advance in rates, made effective on the 22nd day of June, 1903, from shipping points in Georgia to Ohio River crossings, was unreasonable and unjust, and it did not find that the rates from shipping points in Georgia to points basing on Ohio River crossings were either unreasonable or unjust, nor was there any evidence either before the Commission or the Court that would have justified such a finding.

XIX.

That said Circuit Court of Appeals erred in affirming said decree of said Circuit Court, in which decree it was ordered that the pleadings and evidence in this cause be refered to the Standing Master, J. N. Talley, Esquire, "with instructions to ascertain the sum total of the increased rate paid by each of the complainants and other members of the Georgia Saw Mill Association to either or all of the defendant companies since the rate went into effect, and to the end of the litigation, and report such amount to the Court, in order that, pursuant to the stipulation made by the respondents in open Court, in case the complainants prevail, decree of restitution may be made"; because:

(a) There was nothing either in the pleadings or in the evidence which justified the ordering of any reference at all.

(b) Instead of ordering the Master to ascertain "the sum total of the increased rate" paid by each of the complainants, it should not have done more than to order him to ascertain the sum total of so much of the 2 cents per hundred pounds advance in rates made effective on the 22nd day of June, 1903, paid by each of the complainants as is unreasonable and unjust.

(c) No members of the Georgia Saw Mill Association, except the complainants, H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Co., Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, came in or had themselves made parties to this cause, prior to the rendition of said decree of July 8th, 1905, and therefore no reference should have been made to ascertain the amounts paid by such other members.

(d) Instead of ordering the Master to report the sum total of the increased rate paid "to the end of the litigation," he should not have been ordered to report any amount paid after the filing of the original bill in this cause.

(e) No stipulation was made by respondents, in open Court or elsewhere, that a decree of restitution may be made, except in the event that complainants finally prevail; and whether complainants shall finally prevail cannot be ascertained until the appeal made in this cause by defendants has been determined by the Appellate Court.

XX.

That said Circuit Court of Appeals erred in affirming said decree of said Circuit Court which decreed in effect that the Southeastern Freight Association is organized and operates under a contract, combination in the form of trust, or otherwise, or conspiracy in restraint of trade or commerce among the several states or with foreign nations; whereas, the articles of said association and the procedure of the members of said association are not in any wise violative of the Act of Congress approved July 2, 1890, entitled, "An Act to protect trade and commerce against unlawful restraints and monopolies."

XXI.

That said Circuit Court of Appeals erred in affirming said decree of said Circuit Court which decreed in effect that said

advance of 2 cents per hundred pounds in the rates on lumber charged by the defendants from shipping points in Georgia to the Ohio River crossings, made effective June 22nd, 1903, was made under circumstances and conditions which eliminated all competition between defendants, whereas the exact reverse is the truth in the case.

XXII.

That said Circuit Court of Appeals erred in affirming said decree of the Circuit Court which decreed in effect that the purpose of said Southeastern Freight Association is to fix and control the rates to be charged by each and all of its members for the railway transportation of freight; whereas, said association has no power whatever to fix or control the rates charged by any member of said association.

XXIII.

That said Circuit Court of Appeals erred in affirming said decree of said Circuit Court which decreed in effect that the action of said association "is more authoritative than the firman of the Sultan or the ukase of the Czar"; whereas, said association has no authority whatever to make, fix or maintain rates to be charged by any member thereof.

Wherefore, the above named appellants in the above entitled cause, viz: the Southern Railway Company (erroneously sued as the Southern Railway); the Atlantic Coast Line Railroad Company; the Louisville & Nashville Railroad Company; the Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanoga & St. Louis Railway Company); the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company); the Central of Georgia Railway Company; the Georgia Southern & Florida Railway Company; the Macon & Birmingham Railway Company; the Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, pray that the said decree of said United States Circuit Court of Appeals for the Fifth Circuit, rendered in the above entitled cause on the 15th day of December, 1906, be reversed, and that said Circuit Court of the United States for the Southern District of Georgia be ordered to enter a decree dismissing the bill of complaint filed in the above entitled cause in said Court by the said H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts

& Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company against said appellants. This 28th day of December, 1906.

ED BAXTER,
Solicitor for above-named Defendants and Appellants.

The foregoing has the folowing indorsements, to-wit: 1495. In the U. S. Circuit Court of Appeals, Fifth Circuit. Southern Ry. Co., et als., vs. H. H. Tift, et als. No. 1495. U. S. Circuit Court of Appeals. Filed Dec. 28, 1906. Charles H. Lednum, Clerk. Assignment of errors.

APPEAL BOND.

In the United States Circuit Court of Appeals for the Fifth Circuit.

October Term, 1906.

Southern Railway; Atlantic Coast Line Railroad Company; Louisville & Nashville Railroad Company; Nashville, Chattanooga & St. Louis Railway Company; Seaboard Air Line Railway Company; Central of Georgia Railway Company; Georgia Southern & Florida Railway Company; Macon & Birmingham Railway Company, and the Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association,

Appellants,

vs.

H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company, and Southern Pine Company,

Appellees.

Know all men by these presents, that we, Southern Railway Company (erroneously sued as the Southern Railway); Atlantic Coast Line Railroad Company; Louisville & Nashville Railroad Company; Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company); Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company); Central of

Georgia Railway Company; Georgia Southern & Florida Railway Company: Macon & Birmingham Railway Company; The Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, as principals, and J. W. English as surety, are held and firmly bound unto te above named H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company, and Southern Pine Company, in the sum of ten thousand dollars ($10,000.00), to be paid to the said H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company, for the payment of which, well and truly to be made, we bind ourselves, and each of us, our and each of our successors, heirs, executors and administrators, jointly and severally, firmly by these presents.

Sealed with our seals, and dated this 28th day of December, in the year of our Lord one thousand nine hundred and 1906.

Whereas, the above named Southern Railway Company (erroneously sued as the Southern Railway); Atlantic Coast Line Railroad Company; Louisville & Nashville Railroad Company; Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company): Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company); Central of Georgia Railway Company: Georgia Southern & Florida Railway Company; Macon & Birmingham Railway Company; Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, have prosecuted an appeal to the Supreme Court of the United States to reverse the decree rendered in the above entitled cause by the United States Circuit Court of Appeals for the Fifth Circuit, on the 15th day of December, 1906.

Now, therefore, the condition of this obligation is such that if the above named Southern Railway Company (erroneously sued as the Southern Railway); Atlantic Coast Line Railroad Company; Louisville & Nashville Railroad Company; Nashville, Chattanooga & St. Louis Railway (eroneously sued as the Nashville, Chattanooga & St. Louis Railway Company); Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company); Central of Georgia Railway Company; Georgia Southern & Florida Railway Company; Macon & Birmingham Railway Company; Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, shall prosecute said appeal to effect, and answer all damages and costs if they fail to make said appeal

good, then this obligation shall be void; otherwise the same shall remain in full force and virtue.

[Seal] SOUTHERN RAILWAY COMPANY,
By ED BAXTER,
Its Solicitor and Attorney in Fact.

[Seal] ATLANTIC COAST LINE RAILROAD COMPANY,
By ED BAXTER,
Its Solicitor and Attorney in Fact.

[Seal] LOUISVILLE & NASHVILLE RAILROAD COMPANY,
By ED BAXTER,
Its Solicitor and Attorney in Fact.

[Seal] NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY,
By ED BAXTER,
Its Solicitor and Attorney in Fact.

[Seal] SEABOARD AIR LINE RAILWAY,
By ED BAXTER,
Its Solicitor and Attorney in Fact.

[Seal] CENTRAL OF GEORGIA RAILWAY COMPANY,
By ED BAXTER,
Its Solicitor and Attorney in Fact.

[Seal] GEORGIA SOUTHERN & FLORIDA RAILWAY COMPANY,
By ED BAXTER,
Its Solicitor and Attorney in Fact.

[Seal] MACON & BIRMINGHAM RAILWAY COMPANY,
By ED BAXTER,
Its Solicitor and Attorney in Fact.

[Seal] SOUTHEASTERN FREIGHT ASSOCIATION,
By ED BAXTER,
Its Solicitor and Attorney in Fact.

[Seal] SAMUEL F. PARROTT,
By ED BAXTER,
His Solicitor and Attorney in Fact.

[Seal] J. W. ENGLISH, Surety.
By .....

Bond Approved and accepted.

DON A. PARDEE,
Circuit Judge.

Dec. 28th, 1906.

The foregoing has the following indorsements, to-wit: U. S. Cir. Ct. of Appeals. 1495. Southern Railway Co., et al., appellants, vs. H. H. Tift, et al., appellees Appeal bond U. S. Circuit Court of Appeals. Filed Dec. 28, 1906. Charles H. Lednum, Clerk.

CITATION ON APPEAL.

The United States of America, ss.

To H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company and Southern Pine Company—Greeting:

You are hereby cited and admonished to be and appear at the Court room of the Supreme Court of the United States, at Washington, D. C., on the 28th day of January, 1907, pursuant to an appeal allowed and granted by the United States Circuit Court of Appeals for the Fifth Circuit, in the case of H. H. Tift, W. S. West, J. Lee Ensign, J. S. Betts & Company, Garbutt Lumber Company, Alapaha Lumber Company, and Southern Pine Company, as appellees, and the Southern Railway Company (erroneously sued as the Southern Railway); the Atlantic Coast Line Railroad Company; the Louisville & Nashville Railroad Company; the Nashville, Chattanooga & St. Louis Railway (erroneously sued as the Nashville, Chattanooga & St. Louis Railway Company); the Seaboard Air Line Railway (erroneously sued as the Seaboard Air Line Railway Company); the Central of Georgia Railway Company; the Georgia Southern & Florida Railway Company; the Macon & Birmingham Railway Company; the Southeastern Freight Association, and Samuel F. Parrott, Chairman of said Southeastern Freight Association, as appellants, to show cause, if any there be, why the decree of said United States Circuit Court of Appeals rendered on the 15th day of December, 1906, should not be corrected and speedy justice should not be done to the parties on that behalf.

Witness the Honorable Melville W. Fuller, Chief Justice of the United States, this 28th day of December, in the year of our Lord 1906.

DON A. PARDEE,
Circuit Judge.

I hereby accept service of the foregoing citation, this 28th day of December, 1906.

ELLIS, WIMBISH & ELLIS,
Solicitor for Appellees.

W. D. ELLIS,
W. A. WIMBISH,

The foregoing has the following indorsements, to-wit: U. S. Cir. Ct. of Appeals. 1495. Southern Railway Co., et al., appellants, vs. H. H. Tift, et al., appellees. Citation on appeal. U. S. Circuit Court of Appeals. Filed Dec. 28, 1906. Charles H. Lednum, Clerk.

UNITED STATES CIRCUIT COURT OF APPEALS.

I, Charles H. Lednum, Clerk of the United States Circuit Court of Appeals for the Fifth Circuit, do hereby certify that the foregoing 1275 pages, numbered from 1 to 1274, inclusive, page A inserted between pages 16 and 17, contain a true copy of the record, assignment of errors, and all proceedings had, including the opinion of the Court, in the case of Southern Railway Company, et al., appellants, versus H. H. Tift, et al., appellees, No. 1495, as the same remains upon the files and records of said United States Circuit Court of Appeals.

In testimony whereof, I hereunto subscribe my name and affix the seal of said United States Circuit Court of Appeals, at the City of New Orleans, Louisiana, this 14th day of January, A. D. 1907.

[Seal] CHARLES H. LEDNUM,
Clerk of the United States Circuit Court of Appeals for the Fifth Circuit.